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The Nation's Business

The Simple Way to End Wartime Sabotage

Canada has as complete machinery for the avoidance of industrial conflict as any country in the world—except, of course, the dictator states.

There is a wartime labor policy guaranteeing to war workers privileges beyond anything they enjoyed in peacetime.

There is a scheme of conciliation, which is capable not only of settling strikes but of preventing them.

Emergency measures have given the Government power to deal promptly and decisively with professional mischief-makers—paid or unpaid agents of the enemy who slow the production of key materials.

Why, then, do sabotage, illegal strikes, disloyal slowdowns and other obstructions to victory continue?

The answer is that the Government has all the powers it needs but, either lacking a sense of urgency about war production or simply lacking in courage, does not make use of its powers.

* * *

At Arvida, there was "considerable delay," says Mr. Howe, because the Government would not take the necessary action until local authorities had been consulted. This statement is grossly misleading. Ottawa had all the power it needed to deal firmly with emergencies created by labor saboteurs.

In Cape Breton's coalfields, the Minister of Labor has spent months pussyfooting around, holding "conferences" with men who have as effectively reduced Canadian war production as a dozen Heinkel bombers could have done.

In a war strike in Toronto, the Government spent days, pleading tearfully with a handful of men led by a known Communist with a scandalous record as a professional troublemaker.

In Hamilton, a fire-brand saboteur-in-chief led a strike on important war contracts, while Government officials shuttled back and forth for weeks, sending one "appeaser" after another to ask the ringleaders their price for loyalty to country.

* * *

More and more it becomes apparent that Canada's labor laws are more than adequate to deal with normal, reasonable disputes. But equally apparent is it that sterner measures are needed to deal with a type of strike that has nothing to do with working conditions, hours, wages, union recognition, etc. Ottawa has other powers—ample powers—to remove the ringleaders of such evil sabotage. Mr. McLarty may not be able to recognize the professional saboteur when he sees one, but the general public is not blind.

Mr. McLarty's labor policy—in its theoretical phases—has been excellent. Its execution has been timid and fumbling. The Minister must either show himself to be a man of courage and action or make way for someone a little tougher and more direct. It is up to the Prime Minister, in the ultimate analysis, to see that we get action.

Ringleaders of labor sabotage who defy the national will for all-out war production should be locked up with no more sympathy than would be wasted on any other "parashot," whose works serve enemy interest.

Such a simple policy as a first step would eliminate 90% of present trouble.

Having done that, the Department of Labor could then extend its system of patrolling the labor front—looking out not only for undercover work by enemy agents or those whose aid the enemy for their own purposes, but also for developing grievances that should be cleaned up before they break into open labor warfare.

* * *

Ninety-nine out of every hundred Canadian workers are willing and eager to pull their weight in the war effort. Yet the willing workers are diverted and frustrated by this open, defiant, truculent sabotage—sabotage which is more effective in stopping war production than any wrecking of machinery or bricks and mortar.

If the Government is really serious about helping Canadian workers do their part in winning the war it must take off its kid gloves and lock up all professional saboteurs.

It must put the fire-brand mischief-makers under lock and key for the duration, and let loyal workers get on with their jobs.

* * *

MUST PLAN EFFECTIVE USE OF MAN POWER

One limiting factor—perhaps the limiting factor—in Canada's war effort is man power. Money, materials and morale are all important, but without using man power to the utmost efficiency, we cannot hope to pull our full weight in this war.

Yet only now, after 23 months of war, is there a realization at Ottawa that this country is hopelessly ignorant of the extent and character of its human resources and has no plan or objective for the most effective use of man power.

This ignorance is not due to a lack of statistics, of which Ottawa has plenty now. Rather it is due to the confusion and lack of co-ordination which exist in the planning and direction of our whole war effort. This, in turn, is due to lack of an inner war cabinet to do the planning.

After nearly two years of war, there is still uncertainty as to our war programme—as to the size of our army, how many men we can make available for war industry, how many we can channel into the Commonwealth Air Training Plan. Each department, each phase of our war effort continues along its own way. The Government has no co-ordinated policy or plan to achieve (within the limits of war's uncertainty) a wise, effective over-all war programme.

* * *

One thing which fooled us was the National Registration.

Apart from the numerical counting of heads for army draft purposes and one or two special uses such as the segregation of "nationals" (the Czechs, Belgians, Dutch, etc.) this much-touted counting of noses has long since ceased to be of practical use in estimating our man power resources.

What is now urgently needed is a rapid, effective survey of Canadian man power—based on available statistics—and with some competent designated agency such as perhaps the new Employment Service to keep tab on industrial placement thereafter.

This is not in the nature of another national registration. Very few new statistics may be needed except in one or two specific industries and in special areas. It should be a condensation of information now available and in which the army services, munitions and supply, the war services department and labor authorities would co-operate. It should be under capable direction. It should be done at once, done quickly, and done thoroughly.

Such a survey, if properly organized and completed, might go far in bringing to the attention of the Government and to the people at large, the need for greater co-ordination of the war effort. It would reveal without question the need for more intensified use of present industrial training facilities. It would indicate the urgency of training women and older persons. It would suggest the probable limits of enlistment in the armed services consistent with our present and projected armament programme. It might be of great value in respect of postwar problems. It would crystallize the urgency of a clear-cut war plan, consistent with total war and Canada's available resources.

There is currently some evidence at Ottawa that imaginative departmental officials are now awakening to the urgency of such a survey. What remains is that their wisdom and foresight be shared by the Prime Minister and the Cabinet and translated into action.

May Revamp Mines' War Effort

Canada-U. S. Planning Commission to Examine Wisest Phase For Expansion

OTTAWA.—Further discussion of "economic control" for Canadian metal mines will be held at the week-end when the Canadian-U. S. Joint Economic Committee tolds its second meeting. First meeting was held at Washington in the middle of July.

Last week the Government was quick to pounce on a press despatch from Washington which reported that the committee was considering a plan to divert Canadian gold production into other metals which would be of more economic use to the United States in the present emergency.

What actually is contemplated is this:

The job of the committee is to see what can be done to facilitate trade and production in this country on the assumption that there is to be full economic co-operation for the duration of the war—at least.

One such plan would be for Canada to stop further uneconomic expansion of gold mining (which may involve postwar headaches) and divert men and perhaps machinery into some area (perhaps copper mining) where an immediate and urgent need for the product already exists in the U. S.

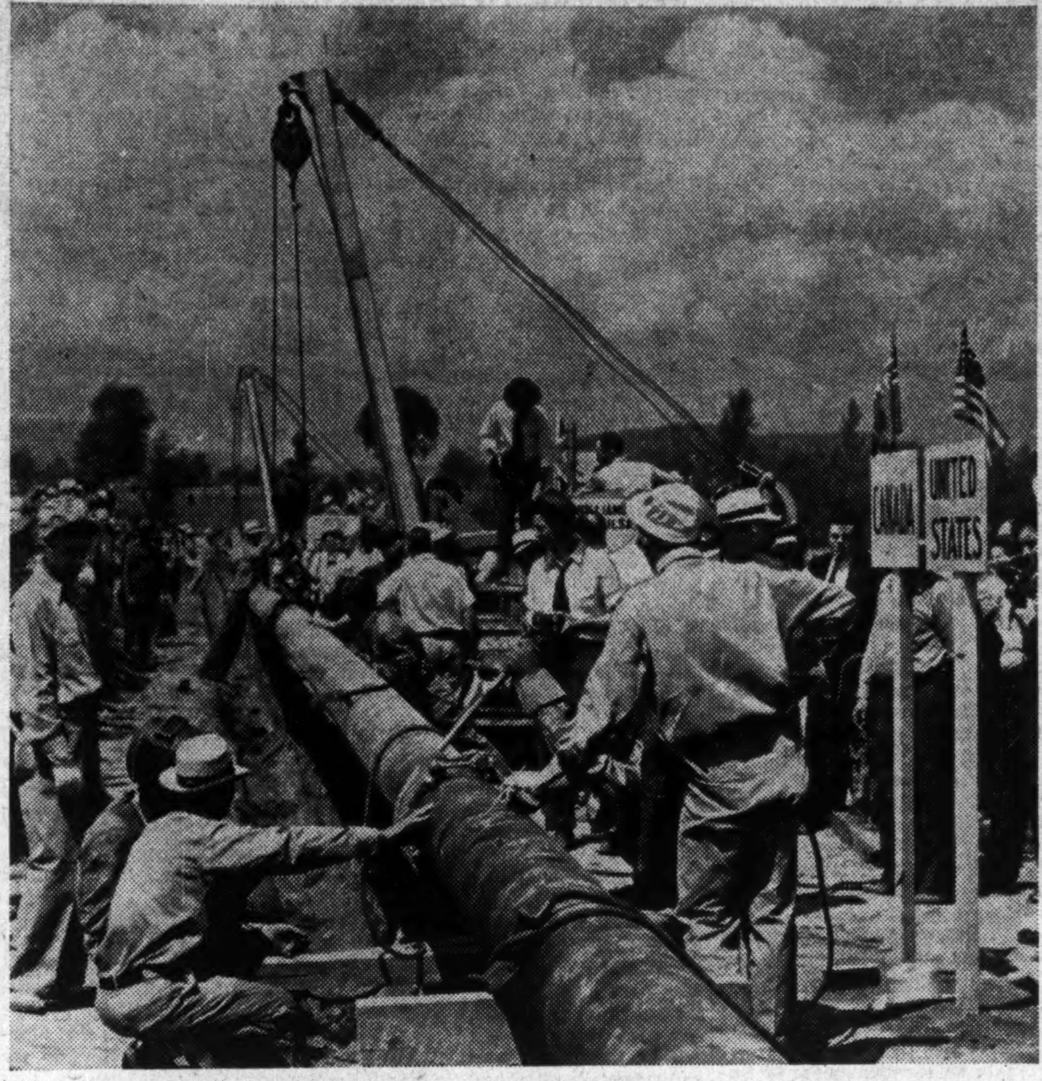
It would be for such a committee to suggest how both countries might be helped by such a policy—on the understanding, of course, that the United States would assure Canada that any unfavorable balance in dollar exchange (or rather any deficiency caused by shifting production from gold to copper) would be offset in some way by the U. S.

One possible way in which this deficit might be made up would be for the United States to agree to purchase Canadian gold "forward"—that is, for delivery after the war is over.

No definite proposal has been reached by the committee for submission to their respective governments.

Plan to Revamp Int. Paper Power

MONTREAL. — R. J. Cullen, president of International Paper and Power Co., announces a special meeting of shareholders has been called for September 25, to vote on a programme for elimination of International Paper and Power, present holding company, and distribution to each shareholder and warrant holder of corresponding shares and warrants of a New York corporation which will take the name "International Paper Company." The present International Paper would be consolidated into the new corporation.



Major factor in releasing oil tankers to serve Britain's need and in easing Canada's gasoline shortage will be the 236-mile pipe line from Portland to Montreal, the welding of which where it crosses the international boundary was a public ceremony late last week. Plans call for laying about 8 miles of pipe daily, and for completion of the line late this year. It will take 178,000 barrels of oil to fill the line. It will carry about 50,000 of crude daily.

Ottawa Hunts Labor Rule Snag

Strong Control Said Need to Check Trouble

By K. R. WILSON
Staff Writer, The Financial Post

OTTAWA. — Aluminum smelting pots are being chipped this week at Arvida. Some weeks hence, airplane production will slow down (or will not be speeded up as it should be) for lack of war-vital aluminum which should have been poured in July and August.

Down at Cape Breton the "shooters" and the "loaders" are idling away their time. Coal, which should be bursting from the pit-heads in these precious summer months is coming up spasmodically. So far, output is 500,000 tons short of what is deemed absolutely essential if the needs of war industry, of convoys, and of essential services, are to be served this winter.

At other points in Canada labor unrest is brewing.

Usually this unrest comes to head in strikes and law-breaking because professional agitators and troublemakers go "all out" to magnify real or imagined grievances; because too much of the active leadership on the Canadian labor front is stemming from the fire-brand, truculent type of union agent.

Despite this, Canada's wartime record of labor turmoil to date is far from bad. Compared to most other countries it has been excellent.

But while aluminum pots cool, and miners openly defy the law by slowdown, there are many signs of anxiety in official and industrial circles — or among the sounder groups of labor leaders.

Need Strong Policy

Real assurance that Canada's labor situation is in sure hands, according to a cross-section of informed opinion in Ottawa, calls for full assertion of effective strength and firm handling from the top down.

No country is better equipped—on paper — to handle wartime labor problems.

This fact, plus the unquestioned sanity and loyalty of most Canadian workers, has helped keep the number of labor disputes and time loss through strikes at a level which compares very favorably with other countries.

The 1941 figures reveal increases in both the number of strikes and number of strikers over the first six months of 1940. This is not deemed unduly disturbing in a period of growing employment and labor shortage. They also reveal 15% fewer man-days lost in the first six months of 1941 than in the same period last year.

But Arvida and Cape Breton, it is said, reflect something which requires more than routine administration and letter-perfect laws.

If Canada is to outride the storm of wartime labor troubles successfully, there is a growing conviction here that she must have strong leadership in her labor ministry.

Wartime Labor Measures

The authority and legislation under which wartime labor control is exercised in Canada seems adequate to deal with most wartime labor problems. Highlights of this machinery are:

1. **The Industrial Disputes Investigation Act** with a long and notable record of avoiding strikes in essential industry, and now extended to war industry. The Act was belatedly streamlined by recent introduction of the new Enquiry Board, which aims to weed out improper applications for conciliation boards

(Continued on page 2, col. 3)

The War And Business . . A Weekly Round-up

New Disputes Plan

A new plan for solving wage and labor problems in certain areas may be launched shortly. It is proposed to set up a commission instead of an ordinary conciliation board to hear representations from a large area or from an entire industry.

The purpose is to avoid "competitive" applications for higher wages as between different areas of the country or different firms in the same area which are engaged in the same sort of work.

Shipbuilding in the St. Lawrence area and the aircraft industry in Toronto area (including Fleet Aircraft at Fort Erie) are the two areas where the plan, if it materializes, will be tried out first.

* * *

War Savings Slower

The war savings campaign has slowed up.

Applications were coming in at the rate of about a million a month until recently with the volume of business totalling about $50 to $90 millions annually.

But July has been a disappointing month. Both casual subscriptions and regular pledge purchases have fallen off—in part because of war bonds, but also because of larger deductions for defense taxes and for unemployment insurance. Summer holidays have also had something to do with it.

Right now, important plans are under way to get the programme out of the rut. The national committee, consisting of nine provincial chairmen and headed by Walter Somerville and de Gaspe Beaubien, will be called to meet in Ottawa this month to discuss a new campaign approach.

* * *

Chemical and Explosives

Of a total of 23 new chemical and explosive projects, 16 plants are now in production, many of them in excess of their rated capacity; six are scheduled to start this Autumn; and the remaining plant will commence operations at a later date, according to an official announcement. Three months ago, only eight of 19 projects were in production.

Approximately 85% of the construction work on the chemical and explosives program administered by Allied War Supplies Corporation, a company wholly-owned by the Crown, has been completed. The building of explosives plants is now largely finished, and, with one exception, it is reported, construction of chemical units should practically be completed by early August.

About 11,000 employees are now engaged in production, while many more are still employed on construction work. Three months ago, only 4,000 were engaged on actual production.

Of the 16 projects producing or beginning to produce, eight are major undertakings. Two of these are explosives plants, two are shell-filling units, one is engaged in fuse-filling, one is manufacturing sulphuric acid, another a special chemical, while the last is producing ammonia.

* * *

War and Business

Accelerated by the war, business operations in Canada are now reported at the highest level in the country's history. Major points in this development are the following:

Exports in June totalled $145 millions, up 30% from same month a year ago.

Imports from U.S. for first half of current year up 34% from year ago.

Employment index breaks all previous records in both May and April, latest figures available, and gain believed still continuing.

Cost of living index advances to 110.5 in June, or 10.5 points above 1935-39 average.

Wholesale prices in June up almost 2% but index still 8 points below August, 1929 peak.

* * *

Americans Tighten Belts

After defense requirements have been met United States civilian consumers are going to be very short of key raw materials, according to a survey by the Office of Production Management (O.P.M.) at Washington. There will be practically no aluminum or cork left at all and not a great deal of copper, nickel, alloy steels or tungsten.

For some time, according to News Week, officials have been lecturing operators of the nation's 185,000 factories that the rearmament programme would necessitate severe cuts in civilian goods production. Recently these warnings have grown more emphatic. Unfortunately, however, it is reported that official plans are still retarding change-over from plants to wartime industry and because of shortage of regular raw materials or substitutes it is feared that many factories will have to shut down.

Civilian shortages in key materials are indicated by O.P.M. as follows:

Materials:	Estimated Civilian Shortage %
Aluminum	93
Cork	90
Copper	60
Nickel	50
All other steels—alloy	50
Tungsten	50
Zinc	33⅓
Tin	33⅓
Chromium	33⅓
Manganese	33⅓
Plastics	33⅓
Mercury	33⅓
Rubber	30
Nitrates	12½
Electric power	10
Steel	10

* * *

U. S. Spends $46 Billions

Authorized defense programme of the United States totals almost $46 billions of which more than half is now under contract. This does not include huge contracts placed by Britain but is for purely American account. The expenditure so far has been running almost evenly between army and navy.

"It is difficult to comprehend the massiveness of the defense programme as now envisaged," states Whaley Eaton Service of Washington. "The new bomber programme alone calls for creation, within months, of an entire industry greater than the whole automobile industry. Put on top of that a tank industry which will be as large as General Motors. Add to it a shipbuilding undertaking that calls for plant capacity greater than that of the whole world combined, in normal times."

* * *

Strike Curb

The Industrial Relations Disputes Investigation Act still retains its potency in heading off strikes.

In 33 years (to Mar. 31, 1940) 978 applications were received for establishment of boards. As a result 594 boards were established and in all but 41 cases (about 4%) strikes or lockouts were averted or ended.

In the calendar year 1940, there were 66 applications and 33 boards. Only three ended in strikes.

In 1941, to date, there have been 95 applications and 41 boards established. Only four have ended in "strikes after awards" as the boards' officers call them.

The four are (or were): Canadian Seamen's Union; Peck Rolling Mills; H. F. McLean, Valleyfield; National Steel Car, Hamilton.

* * *

Milestones

Canada and United States are to set up committees to co-ordinate production of explosives and other war chemicals. . . . United States war department orders $16.3 millions worth of Canadian war supplies including $13.8 millions of advanced and primary training planes. . . . Third Canadian division lands in Britain bringing the total armed forces overseas to over 100,000. . . . Oil pipe line from Portland, Maine, to Montreal, welded at U. S.-Canadian border. . . . First complete anti-aircraft gun turned out in Canada, though volume production of gun barrels going on for many months. . . . Canadian war contracts awarded during the period July 11 to July 22 inclusive number 8,980 and totalled approximately $40 millions.

Seeking New System Of Financing Britain

Would Help Silence Charge of U. S. Isolationists About Dominion "Profiteering" — Might Mean Writing Off Part as Gift

By STAFF WRITER

OTTAWA. — The Government is considering revamping the entire plan of financing British war purchases in this country.

So far no decision has been reached as to how the present system may best be changed.

"We are not within a thousand miles of a definite decision as to the best alternative," The Financial Post was officially informed. "But consideration is being given to the obvious disadvantages of the present system of payment."

If Prime Minister King travels to England (and a definite decision on this is expected within a very few days), undoubtedly this would be one of the subjects which would be discussed.

In that event he would probably be accompanied to England by some of his topflight financial advisers.

Mostly "On The Cuff"

At present, British purchases are being made in this country at the rate of about $1.1 billion in the current year. The purchases are financed largely by the accumulation in Canada of tremendous sterling balances.

Some of these balances are liquidated by repatriation; a further portion by lend-lease purchases by the U. S. A. in Canada for British account. Also some purchases in the United States of airplane components, trainer planes, etc., shipped into Canada but charged to the British lend-lease account help to lighten the load which Canada would otherwise be called on to bear.

The Canadian Government has tried to avoid any criticism that it might be "too hard" on Britain. At the same time a very serious and far-reaching consideration must be faced, namely how far the Government is justified in loading the Canadian people with mountainous sterling balances which may never be liquidated and could prove very embarrassing and difficult in the postwar era.

This is the reason the Government is now giving serious consideration to a possible new policy in dealing with these balances.

Gift Plan Proposed

One alternative, of course, would be that a certain proportion of these purchases, past, present and future, be written off as a free gift. There have been repeated demands of the Government that something be done along this line.

One reason for considering some alternative to the present plan is the continual misrepresentation of the Canadian position which is made in the U. S.

Over the week end Rt. Hon. Malcolm MacDonald made a special statement in Washington as to what help Canada was giving Britain in an attempt to counteract damaging and false reports. Were Canada to make some other type of settlement it might go far in offsetting this distortion of the true facts by isolationist parties across the border.

Canada Selling U. S. $16 Millions Planes

By STAFF WRITER

OTTAWA.—Sale by Canada to the U. S. of $16 millions of trainer planes under the Hyde Park agreement has been announced by the War Department of the U. S. Government. It is considered probable that this figure will be increased to $25 millions in the near future.

The contracts were placed through War Supplies, Ltd., which is the Canadian buying organization set up in Washington to make contracts for Canadian manufacturers with U. S. defense agencies. It is in charge of E. P. Taylor, who is also executive assistant to Hon. C. D. Howe, Minister of Munitions and Supply.

Officially no details of the orders have been announced except that the deal covers three contracts made by the Army Air Corps.

The policy of the Canadian Government is to give out no information regarding U. S. purchases but rather to let the "buyer" do the talking.

Unofficially it is learned that the orders will be distributed as follows:

500 Harvard trainer planes to be manufactured by Noorduyn Aviation, Ltd., Montreal.

200 Tiger Moths to be manufactured by de Havilland Aircraft of Toronto.

250 Link trainers to be manufactured at Gananoque.

It is expected that a further order for 300 Harvard trainer planes will be placed with Canadian Car & Foundry for manufacture at that company's Fort William plant. This would bring total purchases up to a value of about $25 millions.

The planes to be made under the three orders already announced will be manufactured as continuation of previous orders, production of which has been concentrated largely on planes for Canadian or British account under the Commonwealth Air Training Plan. No Harvard planes have yet been turned out at Fort William and production will not begin for some time. It will take considerable time for the Fort William plant to tool up for production of this type of trainer.

It is probable that additional orders for some at least of these planes will be forthcoming from the U. S. if, as and when they are required to keep production facilities in Canada actively employed.

Tobacco Combine Case Warning to Business

By STAFF WRITER

OTTAWA. — Prosecution and heavy fining of tobacco dealers found guilty of contravening the Combines Act in Alberta are seen as a direct warning to Canadian business. While the Government does not hesitate to eliminate competition where it wants to, nevertheless competition is still to be the basic principle of merchandising in this country.

The Government's rule seems to be: "If you don't compete where there's no Government control, we'll punish you. If you do compete where there is Government control, we'll punish you for that too."

In many lines the Government has stepped in to meet the war emergency and has established price or other controls.

But this, it is declared, is only done where the urgency of special supply shortages has developed.

Prewar Rules

Until or unless the Government moves to set up controls, then business must consider that prewar competitive conditions still exist, said a Government spokesman to The Financial Post this week. Those who seek to break this freedom by setting up rules or barriers which may be construed as against the public interest may be liable to the penalties of the Combines Act.

"There may come a time as the war emergency develops when free competition in business may have to be much more stringently controlled than at the present time. Until that time comes and the Government sanctions such controls, then business should beware lest it adopt practices which make it liable to punishment under the combines legislation."

One of the arguments put up by tobacco manufacturers and distributors is that in the tobacco merchandising field there has been freedom of competition in everything except price. Advertising and other competitive forms of merchandising have been carried on actively and aggressively. It has been argued that competition has therefore not disappeared and that on the contrary the public has had every opportunity to exercise freedom of choice as to what merchandise it prefers to buy.

Government's Answer

The Government's answer to this contention is that the party which has benefitted chiefly from such conditions has been the one largest company. It also contends that in actual practice the money spent for promotion and advertising under a fixed price regime adds to, rather than lessens, the cost of the ultimate product to the consumer.

Another argument has been that in a wide variety of products—milk, transportation, etc.—the price of the product to the consumer is already fixed and that what was done by the tobacco companies merely extended into another field the same sort of sales policy. The Government's answer is that in all these fields where prices are fixed, government controls operate. In all other fields the principle of free competition must still rule, Ottawa declares.

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MEN'S SHOP

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New Order for Hurricanes Assured for Canadian Car

Continuation of Hurricane production at the Fort William plant of Canadian Car & Foundry Co. is now assured, The Financial Post is informed.

The plant has been turning out Hurricanes at the rate of about 15 a week. A new order for 400 planes is expected to be announced shortly.

This would keep the plant running for at least another seven months, beyond completion of existing orders later this year.

Following collapse of negotiations for the manufacture at Fort William of the Consolidated B-24 four-engined bomber, attempts have been made to find immediate work for the large organization at Fort William, which has been rolling out planes at a high rate for many months.

The order for additional Hurricanes has been under consideration for some time but has been hampered by inability to obtain engines. A supply of engines sufficient to meet requirements has now been assured, The Financial Post is informed.

In addition, as reported elsewhere in this issue, it is expected that an order for 300 Harvard trainers will also be given the company for manufacture at Fort William.

Production on these trainer planes would not begin for some time because of the lag in tooling and preparation. Meanwhile the plant will be kept busy with the additional order for Hurricane fighters.

Ottawa Offers Answers For Trouble at Arvida

By STAFF WRITER

OTTAWA. — When investigators finally get to the bottom of the situation at Arvida it is thought that the problem will sort itself out something along these lines:

1. At root, a labor grievance problem which had smouldered for months.

2. Culpability on the part of management, the union and the Government in not "smelling out" the trouble and making sure that it was eliminated before it got to serious proportions.

3. No industrial sabotage in the sense of enemy agents openly taking this way to curtail production. If there was "sabotage" it was simple sabotage to incite trouble and slow down production through human rather than mechanical means.

Preliminary investigations, The Post is informed, reveal no indication that "enemy agents" were involved in the Arvida crack-up. It is reported, however, that there were some labor grievances of long standing (three or four months) and that the company was lax in not getting these grievances settled; (b) that the union itself was weak and incompetent in bringing the matter to a head; (c) that the Government by reason of its inadequate labor department staff had no knowledge or way of knowing that such a potentially dangerous situation was brewing.

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Ottawa Hunts Labor Rule Snag

(Continued from page 1)

and settle disputes where possible without recourse to boards.

2. P.C. 7440, the spearhead of the Government's wartime wages policy and still in the experimental stage.

This plan for stabilizing wages at fair and reasonable levels, plus a cost-of-living bonus, is essentially a policy which requires strong administration to be successful.

3. P.C. 2685, "Labor's Magna Carta," which sets out principles for the avoidance of labor unrest in time of war. It establishes the workers' rights to "fair and reasonable standards of wages and working conditions," to organize, to select their own bargaining agency and engage in collective bargaining. Its sets forth with great solemnity and precision that there shall be no interruption in production or distribution due to strikes and lockouts; that any unsettled differences of opinion between employer and worker should be settled through the I. D. I. A.

This order-in-council is a model of fine sounding phraseology. But it is impotent to deal with the grim realities of employer-employee relations unless strongly and impartially administered, say expert commentators.

Co-ordination and Training

4. The National Labor Supply Council, under an independent chairman, includes representatives of both employees and employers. It was created after the complaint of trade unions in June, 1940, when a stronger, more intelligent labor policy was demanded of the Government. It has done some excellent work as a clearing house for employer - employee viewpoints. But having only advisory powers, its counsel has been largely ignored or sidetracked.

5. Inter-departmental Committee on Labor Co-operation, formed last October as a clearing house between key Government departments whose authority bears on matters affecting man power.

Again an excellent piece of machinery, its ultimate usefulness depends on the support given to its recommendations in Cabinet.

6. War Emergency Training Programme to aid in breaking the bottleneck of a lack of skilled workers for industry and the armed services. At present its facilities are not more than 50% utilized, which is cited as a sign of the need for effective leadership at the top, at a time when Canada is facing the threat of virtual "full" employment.

7. War Measures Act, used in special cases, such as to decree the N. S. coal mines an "essential industry." But such power and such actions are seen as of limited value unless they are effectively applied.

The Real Labor Minister

The interests of Canadian workers as a whole, it is felt at Ottawa, are suffering because the Ministry of Labor in this country is not in stronger, more experienced hands. The roots of this, it is said, go back to the Prime Minister himself.

It has long been a matter of comment at Ottawa that the real Labor Minister of Canada (no matter who might nominally hold that post) has been Prime Minister King himself.

The belief is held (rightly or wrongly) that Mr. King still thinks of Labor as a field in which he himself holds the final authority. In other departments a Minister, once appointed, is left largely to himself in matters of policy and administration. In Labor, as in External Affairs (a portfolio which Mr. King himself retains) the Prime Minister is said to exert a close personal influence.

This is given as a reason why men of outstanding personality and forceful leadership are not drafted for the Labor department, and given every leeway to exert full, decisive authority.

In time of peace such a policy might "get by." In the present emergency (as events of the past few months have shown) the policy may prove inadequate; does in fact constitute a major weakness in the war effort.

"Genial Gentleman"

When he was first elevated to Cabinet rank, Hon. Norman McLarty was described by his hometown paper (Windsor Star) as "a genial Windsor gentleman" with a flair for "winning friends and influencing people." When he was Postmaster General he showed imagination and initiative. Even earlier than that he is credited with having fathered the highly successful Home Improvement Plan. He is affable, charming, earnest — but not sufficiently tough and quick-acting, it is felt, to grapple with the present labor problem.

The Labor Ministry in wartime is the essential running mate of the armed services. Its importance increases every day as more men are added to the payrolls of war industry. In Canada, even now, more than 350,000 men and women are said to be engaged directly in war industry with another 100,000 indirectly employed on war work.

In England the Labor Ministry is in the hands of one of the most influential men in the country.

First Move by Unions

Significantly, the first important step in Canadian labor relations in this war was taken not by the Government but by the Trades and Labor Congress of Canada.

In Sept., 1939, the Congress met at London. A few days later its leaders presented to Prime Minister King a series of resolutions dealing with the war emergency. They pledged unwavering support and asked (among **other things) that the Government draw up a sort of Magna Carta of principles governing Labor's rights** and responsibilities in time of war, as was done in 1914-18.

Ten months later these same labor leaders became concerned by the deterioration of the labor situation. Accompanied this time by representatives of other recognized union bodies, they again met the Prime Minister to demand that an outline of policy (long promised and overdue) be immediately made.

Within a week, the order-in-council (P.C. 2685) promised at the outbreak of war, was passed.

It set down certain principles for the "avoidance of unrest during the war."

Nine months later a further meeting was called at Ottawa by these same men to make further bitter complaint against the "non-observance of these principles both by the Government and a large number of employers."

Employers Critical, Too

The critical attitude of organized labor toward ineffective Government leadership on the labor front is matched by the attitude of employer organizations.

In early June, 1941, the Canadian Manufacturers' Association met near Ottawa in annual convention. The chief topic of discussion was labor problems.

After listening to reports from Government officials (Mr. McLarty was "unavoidably" absent) and from representative employers, the convention deemed the situation so serious that the C. M. A. president, Harold Crabtree, was authorized to go to Ottawa while the convention was still in progress, to meet with Prime Minister King and demand action.

Policy Stiffened

Following this meeting, some belated stiffening and clarification of the Government's wartime wages and labor policy took place.

A well-known leftist agitator, who had fomented the Canadian General Electric Co. strike, was interned.

A new trouble-shooting body (Industrial Disputes Enquiry Board) was formed to break bottlenecks which were impeding operation of the Industrial Disputes Investigation Act.

Some teeth were put in P.C. 7440 and steps taken for the first time to publicize this official basic wage programme so that employers and employees generally might have some understanding of what the Labor Department intended. (The order-in-council had been on the books since the previous December.)

Here again is discerned a common thread of Canada's wartime labor policy — halfhearted measures, introduced belatedly or made effective in many cases only after repeated pressure from interested parties or because of situations so serious that firm measures could no longer be avoided.

Even now there is thought to be little assurance (on the basis of past performance) that decisive action will be taken to "freeze" all wages at fair and reasonable levels, if, as and when it is found that P.C. 7440 is being evaded by increases in basic wage rates; or that steps will be taken to require compliance among non-war industries.

Cape Breton Trouble

Belated action and kid-glove administration is also charged in the handling of Canada's most grievous labor sore—the Cape Breton coal mine slowdown. The Government, it is charged, has pussy-footed and procrastinated to the point that a complete breakdown, with possibly a strike and worse, now threatens.

Instead of making an example of ringleaders who have fomented strife and idleness, the outworn and discredited appeasement policy has been used.

Failure to deal firmly with the professional agitator and fomenter of discord is also seen in the recent breakdown of negotiations at the National Steel Car plant at Hamilton. New, raw and inexperienced workers were diverted from the war effort.

The customary plea that it is "up to the Justice Department" is termed an admission of weakness in the department primarily charged with "avoidance of labor unrest."

Lack of Control

Behind the recent disastrous outbreak at the Aluminum Co. plant lies, apparently, another example of inadequate labor control.

Granted some blame on the part of company and union leaders, in not clearing up grievances before they flared up, it is entirely probable that the strike and shutdown would never have occurred had the Department of Labor been adequately staffed. It badly needs a "patrol" for potential danger spots such as this and to do essential, preventive work all along the wartime labor front.

There are only four seniors and four junior men in the Department's investigation service. Although examinations are shortly to be held to increase this to 19 even that number is inadequate. Those who are competent to know, believe that there should be constant surveillance by trained personnel of all vital war plants every few weeks to iron out "bugs" before they develop into serious strike threats.

At the Aluminum plant, for example, one of the "bugs"—a grievance of long-standing which was not corrected—is said to be the matter of heat conditions.

As matters now stand it may be months before even the few extra staff now authorized are available for even junior assignments in the Labor Department. Yet this matter has been under consideration since last year. It could scarcely have been hanging fire this long under stronger departmental leadership, say Ottawa observers.

May Ask Key Firms To Stagger Hours

By STAFF WRITER

OTTAWA.—Formal appointment of a transit controller is expected to be made this week. It is expected the appointment will go to W. J. Lynch.

The chief job of Canada's new transit controller will be to get workers to their factories and home again.

There are three angles to this problem:

1. The actual shortage of physical equipment to handle present and expected urban traffic peaks.
2. The need for staggering hours so as to ease the power situation this winter.
3. The prospect of gasoline rationing, or at least decreasing use of automobiles due to voluntary appeals and reduction in new cars produced.

The job which individual employers will first be asked to tackle is that of staggering their office hours. Experience seems to indicate that the best method of handling this is to seek the co-operation of one or two big employers in a community and have their working hours moved forward or back say one-half hour.

This is of more practical effect and much simpler to arrange than to have several hundred or thousand smaller firms co-operate in a special schedule, although the latter may be necessary in certain cases. The critical time, of course, is from five to six and the critical month is December.

Transit Systems Old

Another important problem which must be tackled immediately is the fact that in many cities the transportation system was designed many years ago and that the present facilities are very inadequate to handle new war plants which have sprung up in most cases at one end of the town or adjacent to the community itself.

Some of the problems could, of course, be solved by substantial purchases of new equipment. But this involves in most cases U. S. exchange. In some cases the equipment is difficult if not impossible to obtain.

It will be the job of the transit controller to find ways and means of adapting present equipment and facilities to the increasing peak demands without unnecessary expansion of facilities.

At the present time it is estimated that there are 350,000 workers engaged directly in war work. As well there are about 100,000 indirectly employed on war work.

I.H.E.S. Control Stock Dropped

From Our Own Correspondent

MONTREAL.—All common and Class B shares of International Hydro-Electric System have been surrendered to the company and cancelled in accordance with an order issued last January by the Securities and Exchange Commission, according to a statement issued by Irwin L. Moore, president of the system.

These securities, comprising 2.5 million shares of common stock and one million shares of Class B stock, were originally held by International Paper and Power Co.

Held Voting Control

In January, 1939, they were transferred to liquidating trustees. This was done by International Paper and Power Co., which had written off its investment in 1934, in order to obtain exemption from the provisions of the Public Utility Holding Company Act. The company's interest, represented by the common stock and B shares, represented 71.37% of the voting power of International Hydro-Electric System.

The trust agreement and liquidating plan, which originally was designed to expire at the end of 1943, provided for the sale or other disposition of the shares, but only to others than International Paper and Power Co., International Paper Co., and their subsidiaries.

No dividends have ever been paid by the System on these stocks.

Paperboard Price Up in U.S.

From Our Own Correspondent

MONTREAL.—Base prices of paperboard in the United States will be increased $2.50 a ton east of the Rocky Mountains under an agreement reached between leading paperboard manufacturers and OPACS.

Upward adjustment is based on the increased cost of wastepaper to the paperboard mills since the previous agreement was reached on June 12, Leon Henderson, OPACS administrator, explained. The June 12 price schedule was based on wastepaper prices as of May 29. Between that date and June 18, when they were stabilized by agreements between OPACS and members of the trade, wastepaper prices increased from $3 to $4 a ton.

Set New Prices

Under the voluntary agreement, which is effective until Oct. 1, 1941, manufacturers' prices for paperboard east of the Rockies will not exceed $45 a ton shipboard, $60 a ton for single manila linerboard, and $75 a ton for white patent coated newsboard.

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Predict Wheat Crop Half Last Year

The western wheat crop has been estimated by Searle Grain Co. at 287 million bushels, in contrast with the official total of 525 million bushels in 1940. The Searle report places the condition of the western crop, weighted for wheat acreage in different districts, as 65% of normal, as compared with 82% for last year's crop at the end of July last year. The average wheat yield for Manitoba is placed at 20.9 bushels per acre, for Saskatchewan at 10.9 bushels, and for Alberta 14.5 bushels. The average for the west is put at 13.3 bushels per acre.

The Searle estimate is based on wheat acreage of 21,511,000 acres as estimated by the Dominion Bureau of Statistics. It records conditions as at July 28. There have been extensive rains since that time, which would halt further deterioration, and in some areas, where crops are comparatively late, might bring about an actual improvement.

Remove Restrictions?

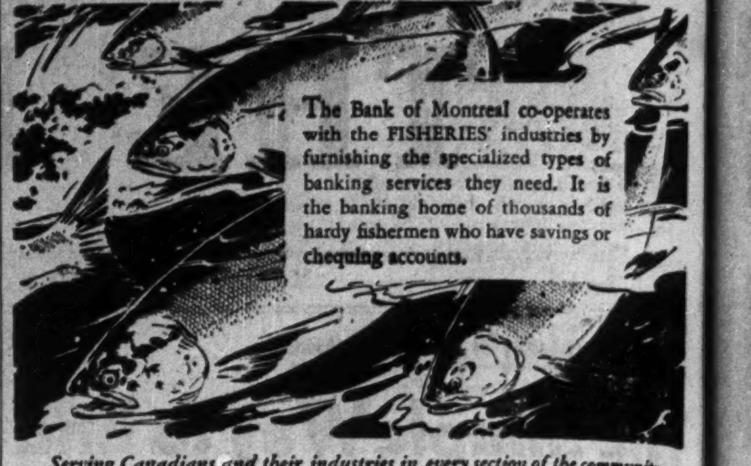
All crop estimators this year with the new control scheme in effect, will work under a handicap with respect to acreages. Not only is it difficult to be certain whether or not the totals calculated by the Bureau of Statistics are correct, but it also makes a great deal of difference whether any errors in calculated acreages have occurred in districts where crops are good or in those where crops have been a comparative failure.

The Government estimate of 525 million bushels of wheat as last year's production is now regarded as slightly high. Farmers have actually delivered approximately 460 million bushels of wheat during the crop year, of which possibly 15 million bushels were carried over from the previous season. That would leave some 80 million bushels to be accounted for by seed, by wheat fed up to the present, and by carry-over on farms. Six weeks ago it was assumed that the carry-over on farms at July 31 this year would be nil. That assumption became invalid as soon as it was apparent that there would be poor crops, both of wheat and of coarse grains. Farmers might hold back wheat, either to make sure of having an adequate supply of seed and feed, or in the expectation of delivering some of last year's wheat against the allowable quotas for this year.

The policy of the Dominion Government, announced through the Canadian Wheat Board, is to allow the delivery of only 222 million bushels of wheat during the current year, whether such wheat goes to the Wheat Board or is sold on the open market. That is about all that would ordinarily be delivered for commercial sale from a crop of 287 million bushels, especially as more grain than usual will be fed to hogs.

If the official Government estimate turns out to no higher than that of Searle the Wheat Board will be expected to announce that limitations will be suspended so far as total deliveries are concerned, and that quotas on deliveries will be maintained from time to time only for the purpose of making sure that elevator space available at different times is equitably allocated among different farmers. Even with a somewhat higher crop estimate, and at the risk that total deliveries might exceed by 25 million bushels or so the previously stipulated total quota figure, it might be thought better and even cheaper to remove the restriction on totals, rather than compel the carrying over of some wheat on the majority of farms.

In fact it is quite possible that if it is found practicable to lift restrictions on total deliveries, farmers will carry forward more wheat on a voluntary basis than would be the case under compulsion.



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Railways Pay Bonus To 136,000 Workers

From Our Own Correspondent

MONTREAL.—Minister of Labor McLarty's suggestion the cost of living bonus be paid to all workers has been accepted by the Canadian railways.

Acceptance boosts the railway wage bill by approximately $8.8 millions.

It affects 136,000 workers on all lines according to the latest return of the Dominion Bureau of Statistics.

Of this number approximately 72,000 are employed by the Canadian National Railways and 51,000 by the Canadian Pacific.

With the exception of top executives all workers get the bonus.

Effective June 1

The arrangement arrived at follows:

Effective June 1 all workers earning less than $340 a month will be paid a cost of living bonus of $1.93 a week.

In the case of all male employees under 21 years of age whose basic wage is 50 cents an hour or less, a cost of living bonus of 1% of salary or wage will be given.

All female employees, irrespective of age or salary, are given a bonus of 1% of salary.

Cost $8.8 Millions

No official figure has been worked out by either railway as to the exact cost of bonus, but the estimate of $8.8 is regarded as reasonably close. This is based on the returns of all railways to the government as at April, 1941.

Roughly the bonus will cost the Canadian National Railways $4.7 a year.

The Canadian Pacific Railway will pay to its workers an additional sum of $3.3 millions.

Basis for Payment

The manner at which the cost of living bonus has been worked out follows:

When negotiations between the workers and railways started the cost of living index stood at 100.8.

As at June the index had advanced to 108.5, an increase of 7.7 points.

The original suggestion under P.C. 7440 was that the cost of living bonus should be $1.25 a week for each advance of 5 points in the index. In other words the bonus should amount to 25 cents for each point.

The advance of 7.7 points since negotiations were started, therefore, provides for a cost of living bonus of $1.925 a week.

Early in the year the railway unions made their demand for a cost of living bonus. This followed the passing of P.C. 7440 providing such an arrangement in order to keep "wages under control."

A board of conciliation was set up by the Minister of Labor to deal with the application from workers who are members of 18 standard railway organizations covering various classes of services on both railway systems.

The other board dealt with an application from clerks, freight handlers, passenger station employees, sleeping car and dining car workers and other classifications employed by the Canadian National and the Niagara, St. Catharines and Toronto Railway.

Wide Interest in Case

Railway workers are not only highly organized, but as a group represent the largest body of workers in the country. As a group they are also highly paid.

Considerable interest attached to the hearings of the two conciliation boards. It was appreciated not only in other unions, but among employers, that the outcome of the deliberations would have widespread effect on the wage rates throughout the country and in all classes of industry.

Will Have Repercussions

Application of the cost of living bonus to the railway workers is expected here to have wide repercussions in other fields of labor.

The cost of living bonus has not been general. It has been awarded as a result of conciliation proceedings to some groups. Certain companies have granted the bonus on their own initiative. But generally speaking, large groups of labor have not received the bonus.

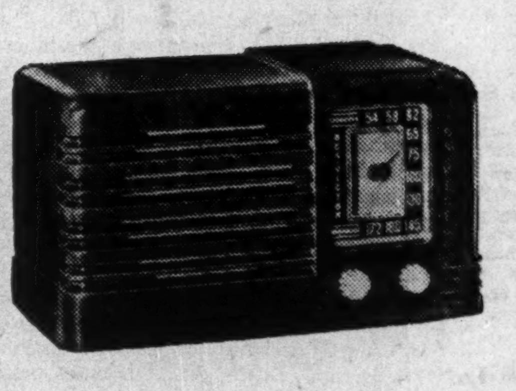
With the settlement of the railway labor bonus, it is now expected the bonus will be more widely applied to labor in this country.

Rolland Terminates Common Voting Trust

From Our Own Correspondent

MONTREAL.—Voting trust certificates of Rolland Paper Co. have been removed from trading on the Montreal Stock Exchange, the voting trust agreement, dated July 23, 1936, having expired Aug. 1.

The certificates were issued by W. C. Pitfield & Co. in July, 1936, at $21 a share, representing 34,500 common shares. The agreement extended to Aug. 1, 1947, unless terminated before that time.



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Simpson's SIXTH FLOOR

Cost of Making Bread Down

Effect of Withdrawing Processing Tax

Immediate effect of the withdrawal of the 15 cents per bushel processing tax on wheat will be to reduce bread production costs about one third of a cent per loaf, from the drop in flour costs of 70 cents per barrel. The lowered costs of flour will not be sufficient to restore operating costs to prewar levels, owing to the rising prices of other materials used, The Financial Post is informed by leading baking authorities.

The average selling price for bread in Canada is now officially stated to be 6.7 cents compared with 6.5 cents in Aug., 1939.

Wheat at 75 cents per bushel is still nearly 50% above the Aug., 1939, figure of 53 cents, sugar is 36% higher than before the war, milk in many districts is up 10% and shortening is over 50% dearer. Delivery costs have also gone up with a rise of approximately 25% in gasoline prices and about 20% for hay. One Sault Ste. Marie baker has announced no further deliveries will be made and has dropped his price two cents.

Cost of mechanical repairs has risen with those in other industries, and time losses are higher where delays in delivery of parts occur. Rising employment has brought an increased rate of labor turnover, adding to the expense of training new employees. No general increase in selling prices has balanced these rising costs.

Expand to Survive

In the case of the bakeries which have been able to expand their markets, the lower profit per unit has been partially balanced by increasing output. Where bakers have been unable to expand sales, profits have dwindled to the vanishing point and a number of units have been closed down in the past year.

Since bread consumption does not necessarily increase with rising income, and appears to have been decreasing in the past ten years, the industry as a whole has been unable to balance higher costs against rising volume.

Judging from the figures recently published by Canada Bread Co., the reduction in production costs of 1/3 cent a loaf would raise that company's net profit per loaf from 1/7 cent to 10/21 cent, bringing the profit margin back to nearly the 1939 level of ½ cent per loaf. Information received from other baking companies tends to confirm this trend of profits, although specific figures are lacking.

In a number of cases, full effect of the gain will not be felt until present inventories of flour are consumed and flour from the new crop year begins to enter production in about two months. Except for possible further increases in the cost of other items used in bread production, the bakeries generally expect to experience a better year.

Postpones Price Rise

Aside from the favorable effect on bakery earnings, the removal of the tax is expected to postpone the time when general bread price increases become necessary. First effect of the levying of the tax a year ago was to bring scattered price rises across the Dominion. This was immediately countered with a pegging order from the Wartime Prices and Trade Board. It was later decided that the tax was to be borne entirely by flour consumers, instead of being shared fifty-fifty with the millers as first planned.

Main purpose of the tax, to provide revenues for raising the Government-supported price of wheat, was never fully realized as the revenues proved inadequate. Because of the relatively low revenues, possibility of increasing the rate, and passing the tax on to the consumer was seriously discussed this spring. Exemption was granted to the Quebec farmer who takes his wheat to the local grist mill, returning with flour for his own consumption. When increases were under consideration, it was planned to continue this exemption.

Tied in with wheat prices and production, the decision to remove the tax rather than increase it appears in accord with the current emphasis being placed on maintaining low living costs, and the Government's policy in favor of wheat acreage reduction.

London Calling

By Atticus

Sartorial Level of British House of Commons Sinks to Uncommonly Low Level Until Moore-Brabazon Performs in Topper — Wellington Koo Proves All Chinese Don't Look Alike

LONDON.—Since we are now permitted to publish the fact that there has been a certain amount of summer weather recently, it must be admitted that the sartorial level of the House of Commons has sunk pretty low. On one day in particular we must have looked rather like a state legislature in the American South during a heat wave. However, Colonel Moore-Brabazon has restored the glory that was. He arrived at Westminster like Lorenzo the Magnificent in a handsome car, and wearing a morning coat and top hat. During the debate which he was to wind up he manipulated the top hat with a grave solemnity that was most impressive.

Moore-Brabazon, as the first English aviator (not, as the reporter, wrote, the "first certified Englishman to fly"), has a curious feeling about his present position as Minister of Aircraft Production. "We pioneers thought we were helping humanity," he once said bitterly, "but because science has outstripped sanity the airplane has become an instrument of killing, and our names will be cursed by future generations." As a speaker he possesses an unexpectedness which at times surprises even himself. He alternates between the stern administrator and the ironic philosopher.

* * *

Cross-Atlantic Traffic

These are disconcerting days in many ways. I was talking to Harold Balfour, the Under-Secretary of the Air Ministry, recently, and not many hours later read that he had made a forced landing in eastern Canada. Then in the evening I dined with some Belgian friends only to find that M. van Zeeland, the former Premier, whom I thought to be in America, had arrived by air.

I have two vivid memories of this attractive young statesman. One was at the fateful emergency assembly of the League of Nations summoned to London to discuss Hitler's march into the Rhineland. Speaking eloquently and movingly in French, M. van Zeeland described the plight of little nations which threatened no one but were drawn into the maelstrom of catastrophe. On one side of him sat M. Litvinov like a bespectacled Russianized Mr. Pickwick, while Anthony Eden, the most spectacular figure of that time, presided with nervous movements of his hands but with an unforced dignity.

A few months after the war had started I met M. van Zeeland at a country house here. When I asked him whether Belgium would resist if attacked, he answered, "But of course. A small nation that does not resist aggression has no place at the peace conference or in history."

* * *

China Tea

Mr. Wellington Koo, the new Chinese Ambassador, held a reception recently from five to six, which seemed a sensible economy of time. There is a popular Occidental suspicion that all Chinese look alike, but no two men could be more dissimilar in appearance and personality than Mr. Wellington Koo and his predecessor, Dr. Quo Tai-Chi, who has returned to his troubled country.

Dr. Quo Tai-Chi has a round, boyish face and spoke with a gentle irony that blended strangely with the romanticism of his mind. Mr. Wellington Koo has a tiny face and looks rather like a bird that is alert to everything. He is practical, hard-headed and direct. He does not indulge in flowers of speech nor risk the indiscretion of a tempting phrase. "The Japanese are very tired of the war," he says with the usual patience of the older civilization. Yet he has little reason to love the men of Nippon. More than once they tried to kill him.

* * *

A Foreign Londoner

The sudden death of F. B. s'Jacob has removed a charming and unobtrusive personality that will be widely missed in London. As Commercial Attaché to the Dutch Legation since 1918, he not only wielded much influence on Anglo-Dutch economic relations but became very fond of the diplomatic and social life of the world's greatest capital. He was a member of the committee of St. James's Club and liked an occasional rubber of bridge, a game which he handled as he did life itself, with discretion, consideration, and good humor.

He did not look his 68 years. A few nights before his death he dined at my house with two Under-Secretaries from the House of Commons, and did not seem older than a man in his middle fifties. He was a bachelor, which seems a pity, for he always showed an unfailing courtesy and sensibility toward women and was happy in their company. On that night at my house he repeated more than once, "The war will be won or lost in the Atlantic." We should remember that warning from the lips of our wise and gentle friend from Holland.

* * *

From Ottawa

It is good news that Mr. Mackenzie King has practically decided to come to London for a conference. The contribution of Canada to the war effort is so vast that a round-table discussion as to the future is overdue. Mr. Mackenzie King is a remarkable statesman and a most interesting man. He belongs as completely to the New World as Field-Marshal Smuts to South Africa and Mr. Churchill to Britain.

One of the reasons for his remaining in Canada has been the emergence of conscription as a political issue. That is a spectre which must haunt any Canadian Premier since the French Canadians, who are enlisting in considerable numbers, furiously resent the idea of compulsion.

In fact, the Canadian Conservative Party paid the penalty for many years for having introduced conscription in 1917. Mr. Mackenzie King is a brilliant talker with an avid interest in personalities. As a bachelor he has had time to read, and even in the most difficult moments of political controversy he likes to retire to his magnificent library and seek sanctuary and inspiration in the written word.

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WISDOM IN A FEW WORDS

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Keeping Posted

By JOHN C. KIRKWOOD

College Fashions

"Joe College" would seem to be the symbolic name for the more extreme type of male university students—like "Uncle Sam" and "John Bull." He is the antic man on the campus, and it may surprise you to learn that he sets the fashions for university men.

He has made the tweed suit, single breasted with notched lapels, correct wear. His shirts must conform to approved patterns and colors, and have a button-down collar. The clothes he wears at lectures may not be any old thing, even though they may look junky. It's all set down for Joe College, his pater and his friends in the August issue of Mayfair.

* * *

Freezing Industry —

An estimated 45,000 families in Ontario are utilizing rented boxes in a freezer room in a "locker plant." Into these boxes they put meat, poultry, game and vegetables, for use whenever they may be desired.

A larger number of families get their frozen foods—fish and fruits mainly — from grocers' cabinets which keep their contents almost as fresh as they were caught or picked. Self-contained freezing units are finding their way into homes very slowly.

There is a very rapid growth of the locker plant industry in both Canada and the United States, says J. H. L. Truscott, of the Ontario Agricultural College, Guelph, in the current issue of Heating, Cooling and Piping.

* * *

—And Freezing Flyers

Flying at an altitude of 40,000 ft. has become a military necessity, but not every airman can stand going up so high. This is not alone because of the sub-zero temperatures but also because of the pressures on lungs and blood. At a height of 25,000 feet the stratosphere temperature is 30 degrees below zero; at 35,000 feet it is 66 below.

However, one's ability to fly a plane at a height of 25,000-40,000 feet can be ascertained on the ground. At the Eglinton station of the Air Force in Toronto, are "cold rooms" for testing. Various rooms have temperatures ranging from zero to 60 below.

This and other slants on high flying appears in the June-July issue of Heating, Cooling and Piping.

* * *

Longevity for Fruit

Apples soften approximately twice as fast at 70 degrees Fahr. as at 50, and about twice as fast as at as at 32 degrees. So engineers of refrigeration storage plants have found. Decay of apples, cherries, peaches, pears and raspberries after being placed in cold storage can be retarded by a controlled combination of temperature and humidity.

The apple variety showing greatest resistance to decay is the Winesap; next is the Delicious, then Northern Spy. The soft fruits—cherries, peaches and raspberries—have a short life in cold storage, from seven to 10 days. So the designing of refrigerated storage plants is important, says an article in Modern Power & Engineering by Walter J. Lind, engineer with the air-conditioning division of Canadian General Electric Co. at Vancouver.

* * *

Win War With Wood—

Canada uses 10 million cords of wood for domestic fuel—more than she uses to make paper. This quantity gives the heat of 6.6 million tons of anthracite. Of anthracite coal Canada's annual domestic consumption is 3.4 million tons. Her consumption of imported bituminous coal in homes is 1.8 million tons. Now Canadians are being urged by Ottawa to use more wood and less imported coal in order to conserve foreign exchange.

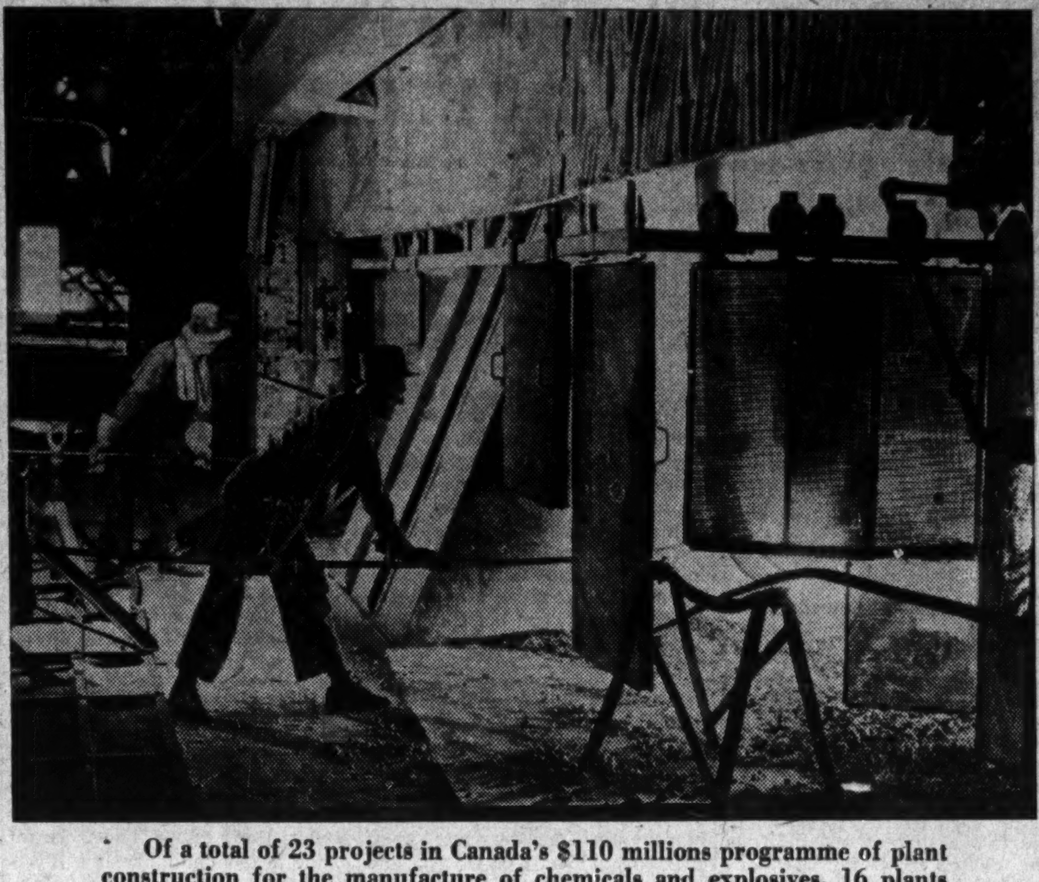
* * *

—Or With Insulation

The Bureau of Mines at Washington is urging the people of the United States, as a defense measure, to insulate their homes and lessen the burden put on mines to produce coal. The Bureau estimates that if all the dwellings erected during the next ten years were properly insulated, owners would effect a saving in fuel cost of about $125 millions annually. Commenting on this, Sanitary Engineer says that a similar situation exists in Canada, and that because our climate is colder than that of the U. S., the savings in Canada would be proportionately greater than in the U. S.

C.G.E. LAMP PRICES CUT

Canadian General Electric Co. announces price reductions, effective Aug. 1, 1941, on part of its line of Edison Mazda lamps. The reductions apply to fluorescent lamps, to inside frosted three-light lamps for ordinary circuits, and reflector lamps of various types.



Of a total of 23 projects in Canada's $110 millions programme of plant construction for the manufacture of chemicals and explosives, 16 plants are now in production and six more are scheduled to start this autumn. This photo shows the carbide blast furnaces in the plant of Shawinigan Chemicals Ltd. This plant makes chemicals used in various war industries.

Put This Question To Yourself Now—

"Have I arranged for the competent management of my property and investments for the benefit of my heirs and dependents?"

If you cannot answer this question to your full satisfaction we suggest a consultation with one of our experienced executives. Our knowledge and financial strength place the administration of your estate on a basis of complete safety.

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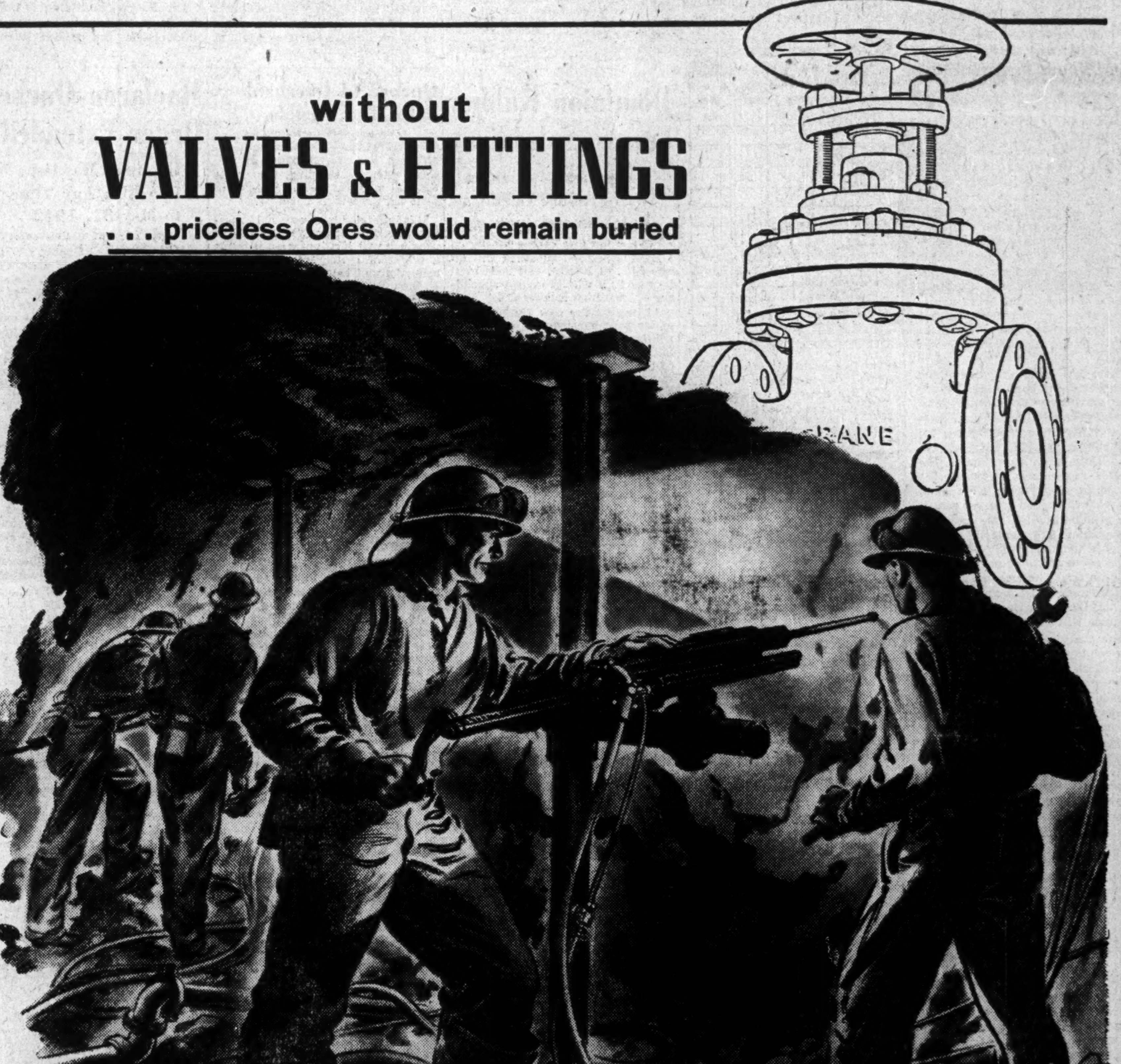
Montreal Stock Sales Show Jump in July

Industrial volume on the Montreal Stock Exchange and Montreal Curb Market for July was the second highest in the year to date, and turnover in mines recorded a substantial gain over recent months.

Transactions in industrial stocks totalled 197,070 shares, comparing with 108,253 shares in June, and 179,209 shares in July a year ago. In the current year only January had a better volume with industrial turnover then amounting to 215,767 shares.

In the mines, transactions for July totalled 179,254 shares, the best monthly figure since March last. This compares with 84,081 shares in June and 199,746 shares in July, 1940.



"THIS TIME WE ARE ALL IN THE FRONT LINE"
Buy WAR SAVINGS CERTIFICATES regularly

without
VALVES & FITTINGS
. . . priceless Ores would remain buried

"I never realized Crane played such a vital role!"

Without the wide variety of metals mined or refined in this Dominion — copper, aluminum, lead, iron, nickel — and without the gold-backed dollars to convert these metals into tanks, planes, ships and munitions, our fighting forces would be helpless.

But to win ore from nature's storehouses, valves, fittings and fabricated piping are vital. Compressed air for rock drills and hoists must be piped thousands of feet underground; from these depths water must be pumped to the surface; chemicals for ore separation and recovery must be carried to many points throughout the mill . . . *and their flow must be under instant control.* Above or below ground, valves, fittings and fabricated pipe constitute the arteries without which operations would cease.

Crane makes valves and fittings in an amazing variety for every industrial need. Power developments, chemical plants, oil refineries, railways, ships, armament and ordnance plants depend on them for their very life's blood. So it is part of Crane's national* job to maintain an undiminished and unfailing output.

*CRANE 4-POINT WAR PROGRAMME

First, to supply all Canadian industry with the valves, fittings and fabricated piping vital to its operation.

Second, to utilize our plant capacity to the utmost in filling the Government's munitions requirements.

Third, to furnish plumbing and heating materials for army camps and workers housing.

These three must take precedence

* * *

Fourth, as in peacetime, to guard the nation's health with adequate plumbing and heating equipment for home and institutional use.

Crane's four plants and Crane's workers are putting everything into this four-fold task. It is their contribution to Canada's all-out war effort.

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Investment Trends

U. S. Expert Has Plan For Withholding Tax

Suggests Many Americans Would Willingly Use Dividends in Canada, or Leave Them Here, if Given Concession on Present 15% Tax

An interesting suggestion comes to us from New York regarding a new way of treating the withholding tax. This tax has become a much more important factor in the investment world since Mr. Ilsley ended the Reciprocal Tax Convention between Canada and the United States whereby each country held back 5% from investment income going across the border.

Our New York correspondent feels that many American holders of Canadian securities would welcome the option of getting their dividends with perhaps 5% tax deducted at the source provided they left the money on deposit in Canada. If they took it out of this country they would expect to pay the 15% now required.

It is suggested that many Americans would take the 5% deduction. They would either re-invest the proceeds in Canada, come to Canada for a visit and spend the money here or perhaps pay premiums on insurance issued by Canadian companies.

Any suggestion that might help to remove this prevailing blockade to American investment in this country is worth considering. The suggestion given here might involve administrative difficulties. It might, for instance, build up a potential demand for U. S. dollars at some future date when there is no guarantee they would be available, something which is not wanted here as the demand would certainly be presented at a time of embarrassment. It might be considered unfair to Canadian investors in U. S. stocks who face the prospect of having 27½% deducted from their dividends unless some new reciprocal arrangement could be made.

If Mr. Ilsley is serious in his suggestion that this tax was increased only to raise revenue and there is no better way to get the few million dollars involved, then this option might not be sound. But something of this nature seems sufficiently attractive to warrant careful study and exploration of its possibilities.

* * *

More About Inflation

There is only one cure for the inflationary tendencies gaining ground in Great Britain, Canada and the United States, according to the current letter of the Royal Bank of Canada. "Each of us must produce more and consume less—in order to provide for the waste of war. To increase salaries and wages to offset increased taxes and other costs can, in the long run, only defeat its purpose. Those in the higher income brackets have had their net income drastically reduced but the total income of those in the lower groups has enormously increased and further increases in wage rates will be largely at the expense of our war effort."

There is a wide assumption that all government borrowings of private and corporate savings must exert a strong anti-inflationary pressure. "This conception," states the bank letter, "may be quite erroneous." Only when a continuous process of replacement is maintained do subscriptions made from bank deposits or financial reserves constitute genuine savings. The mere act of switching idle funds in savings accounts to government bonds involves no hardship or sacrifice. The higher interest rate may be a definite attraction and there is no assurance that any reduction in current consumption will follow.

With Canada closely approaching full employment of men, material and plant, adds the Royal Bank, failure to apply in full measure the restrictive pressure of taxation and borrowing will permit an increase in the money income of the people against which there can be no compensating rise in output of consumers' goods. Under such circumstances, inflation with its attendant miseries and injustices becomes inevitable. The process of saving—the drastic reduction in current expenditure in order to subscribe to loans after payment of taxes—is of prime importance and underemphasized. To the extent that borrowings exceed savings, there is an inflationary tendency, becoming positive as full employment is reached.

* * *

N. Y. on Can. Investment

Canada provides investors in the United States with its best chance of studying the effect of active war participation, without the immediate danger of attack. As such it is a better field for study than is Great Britain, writes Robert Laffan in the Wall Street Journal. He finds the picture in Canada "not a particularly stimulating one for the American investor to contemplate." He points to the fact (brought out more than once by The Post) that record-breaking industrial production last year could only lift net income of Canadian companies about 4% over 1939. He finds also that Canada's exceedingly modest rise in dividend payments this year adds little encouragement for 1941.

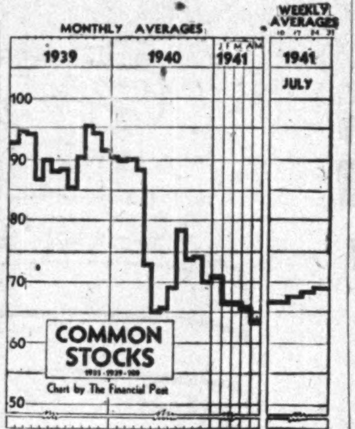
Laffan finds reason for attraction in Canadian government bonds and the better quality corporate and municipal issues, all of which have gained substantially in New York over the lows of this year. "American managers of institutional funds have not hesitated to invest some of their funds in good quality Canadian issues," he states, adding that the prevailing 10% premium on the U. S. dollars has been an inducement.

* * *

Confidence in Our Dollars

Admitting fear that Canada's dollar might become progressively cheapened in terms of the U. S. dollars would be a powerful deterrent against further U. S. investment in Canada, Mr. Laffan points out that "some students of Canada's affairs and some practical banking people do not feel disturbed on that account." They see no more reason to become alarmed over the outlook for the Canadian dollar than they do over the American dollar. Per capita debts of Canada are said to be about the same as per capita debts in the United States, whereas 10 years ago Canada had much the largest per capita debt.

Canada's worst fiscal problem today is this country's efforts along the line of "lend-lease" aid for Britain. In this, however, Canada is getting aid from the United States to the extent of about $300 millions this year. His conclusion is that:



"Inasmuch as Canada is being helped financially by the United States over its rough spots there may be justification for the claims that Canada's fiscal position is at least as good as that of the United States. At any rate there are many optimists on Canada for the long pull. They say Canada will be a creditor nation over the long run and after the war."

* * *

Lake Sulphite Pulp

Word from Vancouver that part of the equipment going into the expansion of B. C. Pulp & Paper Co's plants is coming from the unfinished Lake Sulphite Pulp Co. suggests that efforts to revive the latter company are not getting anywhere. It hardly seems that the digesters already bought for Lake Sulphite would be sold to B. C. Pulp if there were any prospect of getting the Lake Sulphite plant going.

Currently there is something approaching a boom in demand for the high grade sulphite pulps that go into rayons, a line which the Lake Sulphite plant as finally designed could have made. But we have heard nothing of attempts to revive this ill-fated undertaking for many months. Outlook for Lake Sulphite shareholders is far from encouraging.

Market Opinions

With little important changes in prices of stocks over the past week, comment turns again to accounting for the prevailing hesitation.

Barron's N.Y. (The Trader)—Until the stock market acquires breadth or quality leadership it will, from this short-term standpoint, continue to be on the defensive. Implications of the past three weeks are that buyers are unwilling to follow up advancing prices and that unparalleled, latent buying power is not disposed to exert itself except at lower levels. So gradual and prolonged are the processes of wartime accumulation, that so substantial a gain as the 14-point lift in the Dow-Jones industrial share average from the end of May to July 28 requires a period of digestion. From the real long-term point of view, however, the advantages of stocks over bonds and cash are as demonstrable as at the bottom of the May-June, 1940, panic.

* * *

Business Week, N.Y.—The safest prediction would seem to be that the highly selective character of buying in stocks will continue. Favorites of the last two months' rise may quite possibly take a back seat while investors and speculators hunt for unexplored opportunities.

* * *

Brookmire Counselor, N.Y.—Domestic conditions are featured by multiplying evidences of the strong business expansion that has been in progress for some time, though prospects are tempered by the subordination of activity in many civilian lines that will be required by defense. Foreign uncertainties at the moment are centred especially on the Far Eastern and Russian fronts. War developments and the question of our degree of involvement command constant vigilance, but clients should keep stock portfolios geared to the selective and inflationary expansion.

C.P.R. Reports Record Income

Net Earnings for June $4.1 Millions, Against $2.9 Millions Last Year

From Our Own Correspondent

MONTREAL. — Steadily rising traffic is reflected in operating statement of Canadian Pacific Railway Co. for June and the first half of the year.

June net earnings of $4.1 millions were the highest on record for this month. They compare with $2.9 millions in the same month last year.

Gross earnings for the month increased to $18.5 millions from $14.2 millions in June, 1940, while operating expenses rose by $3.2 millions to $14.4 millions.

Six Months' Record

Net earnings for the first half of the year also set a record for any similar period in the company's history. Amounting to $19.9 millions, they compare with $17 millions in the first half of 1929, the previous high point. In the first half of 1940 net earnings amounted to $12.6 millions.

Gross earnings rose to $99.8 millions in the first six months from $75.4 millions in the corresponding period of 1940. Operating expenses totalled $79.9 millions, an increase of $17.2 millions.

Operating Statement June

	1941	1940
	$	$
Gross earnings	18,496,265	14,191,708
Less: Oper. exps.	14,427,961	11,268,653
Net earnings	4,068,304	2,,923,055
Six Months Ended June 30		
Gross earnings	99,840,386	75,384,672
Less: Oper. exps.	19,920,691	62,748,665
Net earnings	19,919,695	12,636,007

Dominion Rubber Forms Subsidiary

Naugatuck Chemicals Will Produce Chemicals For War and Industry

From Our Own Correspondent

MONTREAL.—Naugatuck Chemicals Ltd., of Elmira, Ont., has been formed as a wholly owned subsidiary of Dominion Rubber Co.

At present the new company has under way construction of a plant which will go into production this fall. It will produce aniline oil needed by the Canadian Government for war purposes, also anti-oxidants, accelerators and chemicals vital to Canada's rubber industry.

The new corporation will be operated in the same manner as United States Rubber Co. operate their Naugatuck Chemical Division at Naugatuck, Conn.

Jones Heads Company

Paul C. Jones has been elected president of Naugatuck Chemicals, while R. B. Marr has been appointed general manager.

The board of directors of Naugatuck Chemicals Ltd. consists of: F. B. Davis, Jr., New York; W. A. Eden, and Paul C. Jones, Montreal; John P. Coe, H. C. Humphries, Jr., and Elmer Roberts, New York, and C. C. Thackray, Montreal.

In addition to Messrs. Jones and Marr, other officers of the company are: M. C. Simpson, treasurer; I. W. Holme, secretary; H. Wintsch, production manager and G. R. Dobbin, assistant secretary treasurer.

Big Rayon Pulp Demand Met by B. C. Industry

From Our Own Correspondent

VANCOUVER.—Restriction of silk imports in Canada and the United States has placed additional pressure on the production facilities of the rayon pulp industry. In British Columbia the situation has already been anticipated by B.C. Pulp & Paper Co. both of whose mills—at Woodfibre and Port Alice—are now being enlarged at a cost of nearly $750,000.

President Lawrence Killam states that the Government passed an order-in-council enabling the company to proceed with its new expansion programme. This was done on the ground that it will be instrumental in creating U. S. exchange to the extent of $1 million to $1.2 million annually, when the mills begin producing on the new basis early next year.

Use Lake Sulphite Equipment

However, every effort is being made to confine expenditures for needed machinery and equipment within Canada.

Digesters, for instance, are being brought west from the unused plant of Lake Sulphite Co. in Ontario, and a boiler and turbine have been acquired from the Granby Consolidated dismantled plant at Anyox.

Substantial tax concessions have also been granted to B. C. Pulp & Paper Co. under the recent amendment to the Income War Tax Act and the Excess Profits Tax Act whereby the company will be able to write off its new investment, stated in the order-in-council as $741,000, in from three to four years.

Special depreciation allowance is being provided each year equal to one quarter of the cost of the depreciable assets included in the project. Production increased will be about 25%, bringing total daily output of the two mills to about 440 tons of bleached sulphite and rayon pulp. Demand for such pulps, especially from the U.S., has been rising since Scandinavian sources of supply were cut off.

Expansion General in B.C.

So far this year pulp and paper companies in British Columbia have authorized expenditure of about $2.2 millions for expansion. This sum does not include $1 million being expended by Powell River Co. on a new dam at Lois River. It does include $980,000 being spent by Powell River on an unbleached sulphite plant, and $300,000 being spent by Westminster Paper Co. on general improvements.

It is understood that still more expansion is planned in connection with the Vancouver Kraft Corp., which has been operating at Port Mellon, Howe Sound, under control of the Leadbetter interests of Portland, Ore.

Sorg Paper Co. of Ohio has exercised its option on the mill and a new company, Sorg Pulp and Paper Co. of B.C., has been incorporated with a capital of $1 million. It will also operate Sorg Shipping Co. as a subsidiary.

The Sorg organization is one of the largest distributors of paper products in the Middle Western states.

Quebec to Overhaul Sales Tax System

From Our Own Correspondent

MONTREAL.—The Quebec Government has served notice it will soon attempt to plug the holes through which a certain amount of sales tax revenue is trickling.

It is intimated by Provincial Treasurer J. Arthur Mathewson, K.C., the province will institute what it terms a foolproof system of tallying tax collections of small merchants. Mr. Mathewson stated customers will henceforth receive a receipt for all retail sales on which the tax is applicable. Duplicates of these forms will therefore be available to provincial auditors for checking.

Lack of adequate accounting machinery is blamed for leaks in the existing system. Many small retailers' returns are now estimated by rule of thumb or straight guess work, it is suggested.

The province's need to squeeze every dollar out of present taxes is credited with inspiring the overhaul.

Northern B. C. Power Plans New Cable

Northern British Columbia Power Co., controlled by Power Corp. of Canada, has divulged its plans made with the Federal Minister of Public Works for an underwater cable to be laid across Shawatlans Passage, near Jap Inlet and an overhead transmission line across the mouth of Jap Inlet near Prince Rupert.

Following the usual statutory delay, it is the intention of the company to proceed with the new construction.

Building Pace Slowed In Canada in July

Construction in Canada started the second half of the year at a pace noticeably less spectacular than that set in the first six months.

Contrasting with substantial gains over 1940 in most of the months from January to June—capped by a 114% jump in the latter month—the July total of contract awards showed an increase of less than $3 millions or 9% over the same month last year. The cumulative figure for the first seven months stands at 60% above the matching period of 1940, compared with an advance of 72% in the first half of this year.

Chief factors in the slowdown in July and in the narrowed gain in the year to date was a drop in July contracts for buildings for the Empire Air Training Plan and for other structures for war or defense purposes. This pulled the total of awards for public buildings down to $3.6 millions, from $9.3 millions in July, 1940.

This was mainly responsible for the drop of 28% in the sub-total of contracts for "business buildings," more than half of which were accounted for by wartime projects and other Government building.

Residential Building

Residential building in July continued to be a notable feature of construction operations, increasing by nearly $3 millions or 52%. Much of the new work started consisted of projects of Wartime Housing Ltd., Government company set up to meet housing shortages around war plants and military concentrations. Average cost of Wartime Housing units started in July is estimated by MacLean Building Reports at $2,200, compared with $3,000 per unit for all of the 2,660 residences begun during the month.

After falling off in June, industrial building swung upward again last month with an increase of nearly 50%, most of the contracts being for war production purposes. Of building of all types during the month, the only project of any size of a peacetime nature was the $1.5 million programme to complete the new buildings of the University of Montreal.

Among the major war factory projects started in July was a new radio assembly building for Research Enterprises Ltd., Government company producing fire control instruments and optical glass at Leaside, Toronto suburb. Official estimates of the cost of the building are not available, but it is believed outlay for both building and equipment will run around half a million dollars.

Significant Investors' Index Numbers

No of Securities	Mach and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.6	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.8	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.8	74.4	60.3	88.3	65.2	63.9
June	70.2	59.5	67.5	48.0	101.1	90.1	87.3	74.9	62.0	89.0	67.1	64.0
Weekly Figures:												
July 17 ..	75.5	65.8	66.6	47.9	104.4	88.8	93.7	76.4	65.7	89.7	70.3	66.6
July 24 ..	76.6	64.8	67.2	48.6	105.6	89.5	93.1	77.6	65.1	90.1	70.5	67.5
July 31 ..	76.7	66.1	67.0	48.3	107.6	93.4	97.0	78.8	64.3	89.3	70.8	68.0

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Aug. 5	94.05	101.91	69.56	19.51
Aug. 4	—Holiday—			
Aug. 2	93.85	102.43	70.07	19.44
Aug. 1	93.29	102.42	69.32	19.46
July 31	92.85	103.24	68.96	19.27
July 30	92.49	103.84	68.77	19.30
Month ago ..	89.85	97.85	63.56	17.26
Year ago	94.41	89.38	62.41	20.39
High 1941 ...	103.48	109.76	70.07	21.62
Low 1941 ...	85.87	85.68	59.30	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Aug. 5	45.3	61.1	55.8	78.15	72.84
Aug. 4	45.0	60.5	55.3	78.19	72.59
Aug. 2	45.4	60.1	55.2	75.05	72.80
Aug. 1 ...	45.0	59.9	54.9	72.62	72.64
July 31	45.2	59.9	55.0	71.02	72.40
July 30	45.2	59.4	54.6	70.33	71.86
Month ago .	45.3	58.9	54.4	68.03	69.37
Year ago ..	53.8	61.9	59.0	84.33	65.72
High 1941 ..	54.3	66.4	62.3	82.25	79.99
Low 1941 ..	42.1	52.3	49.3	58.96	67.38

Maclaren-Quebec Order Extended

Company May Issue New Bonds at Any Time Up to May 31, 1942

From Our Own Correspondent

MONTREAL. — Quebec's Public Service Board has issued a new order extending to May 31, 1942, the authorization given to Maclaren-Quebec Power Co. to issue $2 millions of 4% first mortgage sinking fund bonds.

In order to provide for additional water storage the company undertook various remedial works on the Upper Lievre River. Temporary financial arrangements were made through an advance of $2 millions from the Bank of Nova Scotia.

Originally it was the intention to pay off the loan with the proceeds of a public issue. Authorization for this was granted by the Board, which said the bonds had to be sold by May 1, 1941.

At the time conditions were not favorable to carrying out the financing, and last month the Board granted a stay of 90 days. This has been followed up with the latest order extending the time to May 31, 1942.

In its order the Board says the company desires to issue the bonds only as moneys are required to finance works undertaken and that the works may not be completed before May 31, 1942.

St. Boniface to Pay 40% of 1940 Interest

As previously reported in The Financial Post, interest for 1940 on the obligations of the City of St. Boniface, Man., together with St. Boniface School District No. 1188 and Norwood School District No. 2113 has been declared payable at the rate of 40% of the contract rates. Coupons on unmatured debentures may be presented for payment to the debenture holder's bank; interest on past due debentures will be paid direct by the City of St. Boniface.

New Books . . .

Through Nazi Eyes

I WAS A NAZI FLIER. By "Gottfried Leske." Edited by Curt Riess. Published by Longmans, Green and Co., Toronto. Price $3.

We are assured by the publishers that this diary of a German flight-sergeant (now interned in Canada after extensive bombing jobs over France, Belgium, Dunkirk, London, Coventry and Birmingham) is a genuine document, smuggled out of Germany. If it is genuine, it is a vitally important revelation of the mentality of the Nazi flyer. Genuine or not, it is fascinating reading.

This reviewer's guess, based upon the evidence of the book itself, is that the diary is authentic but that the editor has been generous in expanding some of the more fragmentary portions. No fiction writer could invent a phrase so naively honest in its description of the German mentality as Leske's comment, "What is liberty anyhow? I for one have always found that it is much easier if someone tells you what to do?" The sentence "The Belgians have capitulated. Why the hell did they start this war against us in the first place?" is convincingly revelatory of the mind of the propaganda-fed, highly disciplined young Nazi airman.

On the other hand the picture of a captured British airman, dining with the Nazi flyers in their mess before going to prison, seems too true to be really true. His calm acceptance of his position, his refusal to discuss his own flying exploits astonished the Germans. Leske noted in his diary "They're really queer people, the English. They don't get any satisfaction out of the whole business." And again "Those English are brave enough, but they'll never get over being Englishmen." It is so fine a tribute that one wonders how much of it Leske wrote and how much Riess, the editor, wrote.

The diary is of utmost importance in revealing the state of mind of the German fighting men. It indicates no growing anti-Hitler sentiment; blind devotion to the Fuehrer is shown in every line. It gives no confirmation to stories of "doping" of German fliers; of over-fatigue. It indicates widespread German civilian support for the war as a war of revenge against France and of national defense against a ring of enemies directed by Jews and Communists.

On the other hand the early contempt of the German flyers for the British air force is shown as slowly emerging into wonder and awe. At Goering's headquarters, Leske found that the R. A. F. was held in high respect. On bombing flights over London the young flier began to wonder how the British had perfected their AA defenses. At one time he wrote: "Where the British get all these ships"—he means aircraft—"is a mystery to me." When Leske flew over London for the first time he regretted that he would never be able to see the city again; it would be destroyed within a week. But curiously, although he flew over London many times after that, he never seemed to bother to ask why Germany was not able to fulfil her most violent threats. He is constantly speaking of the plans for invasion but does not ask himself why the invasion never came off.

Much mentioned in reviews of the books are the callous references to civilians as legitimate targets of bombing. Leske reported that an airman friend thought bombing of civilians was wrong and unnecessary. He himself differed. "To hell with chivalry," he wrote. "They are all our enemies," Yet when he went on leave to his own hometown he reflected that the English "swine" wouldn't hesitate "to bomb our little town as a military objective." This curious blindness shows up through all the pages. "It's a rotten, beastly business" wrote Leske "shooting at defenseless parchutists." Yet he thoroughly approved any violation of international law by Germans.

The average reader will probably start this book with doubts and misgivings. He will wonder if he can complete it without wanting to tear it apart. But the picture it gives of one Nazi flier's mind is so simple, so clear, so illuminating that the book really does not arouse disgust, or bad temper. It is a self-portrait that gives us much-needed information on a subject where we harbor many fictions.

S. African Order To Canadian Car

From Our Own Correspondent

MONTREAL. — Canadian Car and Foundry Company is now working on an order of 2,500 box cars for the South African Government Railway.

Prospects for this branch of the company's activities appear promising, as the Canadian National Railways has not yet issued its orders for some $20 millions of rolling stock. Placement of this business should give Canadian Car a relatively high rate of activity in the months immediately ahead.

Paramount Net $1.56 a Share

Compares With $1.01 a Share for First Half of 1940

Paramount Pictures Inc. estimates its earnings for the second quarter ended July 5, 1941, at $1.9 million after interest and all charges, including provision for all Federal taxes, normal federal income taxes being computed at 30%. This amount includes $231,000 representing Paramount's direct and indirect net interest as a stockholder in the combined undistributed earnings for the quarter of partially owned non-consolidated subsidiaries.

Earnings for the six months ended July 5, 1941, on the same basis are estimated at $4.4 millions, including $881,000 share of undistributed earnings of partially owned non-consolidated subsidiaries. No provision has been made for Federal excess profits taxes for Paramount Pictures Inc. and its consolidated domestic subsidiaries, since it is estimated that none has accrued.

Three Months Net

Earnings for the quarter ended June 29, 1940, were $1.5 million including $323,000 share of undistributed earnings of partially owned non-consolidated subsidiaries and $58,000 profit on purchase of debentures, while earnings for the first six months of 1940 were $3.1 millions, including $1 million share of undistributed earnings of partially owned non-consolidated subsidiaries and $66,000 profit on purchase of debentures.

There were outstanding as of July 5, 1941, 126,389 shares of 6% first preferred stock and 531,620 shares of 6% second preferred stock. After deducting $269,327 of dividends accrued for the quarter on these preferred shares, the remaining $1.6 million of estimated combined consolidated and share of undistributed earnings for the quarter represent 66 cents per share on the $2,466,692 shares of common stock outstanding on July 5, 1941, which compares with 48 cents per share for the quarter ended June 29, 1940.

Counted on the same basis, the estimated combined consolidated and share of undistributed earnings for the six months ended July 5, 1941, represent $1.56 per share on such common stock outstanding, which compares with $1.01 per share for the six months ended June 29, 1940.

Distillers Seagram Extend Stock Option

Distillers Corp-Seagrams Ltd. advises the Montreal Stock Exchange that the option on the company's common stock to F. R. Schwengel has been renewed until July 31, 1942.

The option to Mr. Schwengel was granted on July 28, 1936, to purchase up to 10,000 shares of the company's common stock at $22 a share in Canadian currency. To date 200 shares have been taken up under this option.

Securities Trade Gives Canada Higher Net

Canada had a somewhat higher net balance of sales in its international trade in securities in May than in the preceding month. The gain was small, however, with net sale, representing an import of capital amounting to $2.5 millions in May. This compares with $2.1 millions in April and $900,000 in March.

Accelerated liquidation of United States securities accounted for the gain. Net sales of these amounted to $1.8 million, compared with $1.1 million in April.

U.S. Dominates Trade

Practically all of the trade was with the United States. Among individual types of securities, Canadian bonds and stocks were sold on balance as well as the United States securities. Repurchases from the United Kingdom in May were small, amounting only to $200,000.

For the first five months of this year sales of securities have exceeded purchases by $10.1 millions, mainly in the trade with the United States. In the corresponding period of 1940, net sales amounted to $18.5 millions.

Canadians liquidated United States securities by net sales of this class amounting to $6.4 millions in the first five months of 1941 compared with $10 millions in the same months of 1940. Net sales of Canadian securities were $3.8 millions in 1941 and $7.5 millions in 1940.

Details of the securities trade with the United States follow:

Analysis of Securities Trade with U. S. Five Months Ended May, 1941

	Sales to U.S.	Purchases from U.S.
Bonds & debentures:*	$	$
Can. new issues ..	15,000	......
Can. o/s issues:		
Dominion	2,943,963	2,426,522
Provincial	1,182,163	1,783,764
Municipal	952,221	678,405
Dom. gtd.	4,314,772	3,387,475
Other railway ..	824,893	1,584,968
Other corporat'n	3,425,569	1,740,990
U. S. new issues:		
Government ...	......	557,945
Other	......	37,795
U. S. o/s issues:		
Government ...	1,657,097	621,929
Other	1,759,808	952,663
U. K. new issues:		
Government ...	......	13,382
Other	......	400
U. K. o/s issues:		
Government	14,995	21,550
Other	394,509	424,392
Other countries.	503,200	469,125
Unspecified	1,864,926	2,028,817
Total bonds	19,943,046	16,630,198
Stocks:*		
Canadian	5,060,917	3,811,003
United States ...	8,746,923	3,495,592
United Kingdom .	703	139,919
Other countries ..	80,870	6,817
Short term securities	......	29,700
Other securities:		
Canadian	198,007	153,956
United States	5,275	......
Other countries ..	922	......
Grand total	34,036,663	24,368,083

Investment Notes

Advocate Stock Purchases—F. H. Deacon & Co., Toronto stock exchange firm, recommends a list of stocks yielding from 5.3% to 8% on the basis that: Britain's position is greatly improved; support from the U.S is virtually actual participation; companies are showing profits equal to results of previous record years; dividends are being covered by a good margin. This list recommended includes:

	Yield %
*Asbestos Corp.	6.6
*Consolidated Mining & Smelting...	6.4
*International Nickel	6
*Noranda	7.1
Loblaw Groceterias, B	5.3
Blue Ribbon Corp., pref.	7.1
Ford of Canada, A	6.3
*Hudson Bay Mining & Smelting ..	7.7
*Imperial Oil	5.4
*International Petroleum	7
George Weston, common	8
*Chesterville Larder Lake	..
*Kerr-Addison	..
*Preston East Dome	..
*Upper Canada	..
*Aunor	..

* Companies which own or control their own source of raw material.

* * *

Dominion Foundries & Steel—An order for ordnance amounting to $1,442,811 has been received by the company from the Department of Munitions and Supply in the week ending July 22.

* * *

Dominion Bridge Co.—An order for ordnance to the amount of $513,000 was received by this company from the Department of Munitions and Supply in the week ending July 22.

* * *

Canadian Acme Screw and Gear—This company, a subsidiary of Russell Industries, received a $754,000 order for munitions from the Department of Munitions and Supply in the week ending July 22.

* * *

Canada Steamers — Volume of traffic handled by the company during June did not show any improvement over the same month last year, judging by traffic passing through the canals. This condition also applied in May. During June tonnage handled through the Welland and St. Lawrence canals was slightly under that of a year ago.

* * *

Imperial Tobacco—Sales continue to show increase over last year. Cigarettes released for consumption last month totalled 665 millions, or more than for any other June on record. Number released in first half of the year was 3,808 millions, against 3,696 millions a year ago.

* * *

Wilsil Ltd.—Volume of business being handled by the company this year sets what is probably an all-time record. Net income, on the other hand, has failed to fully reflect the improvement in gross, due to the fact that selling price to the British remains fixed while prices paid to the farmers are somewhat higher.

* * *

Dominion Tar—Full out operations are being reported. Not only is there a good demand for creosoted products, but also for the numerous other chemical products produced. In addition company has undertaken special work for the Government which has pushed productive facilities to the limit.

* * *

Crown Cork—Current reports are company is doing an excellent business. Raw materials are beginning to be a worry.

* * *

S.E.C. summary of security transactions and holdings for the last of June include the following of Canadian interest.

Fanny Farmer—J. D. Hayes, officer, transferred 200 shares, retaining none directly, but through McKenna Investment Limited, retains 2,250 shares.

Dome Mines—F. W. Pershing, director, held 50 shares on June 10 this year.

Gatineau Power Co.—L. S. St. Laurent held 100 shares of common on June 4 this year.

Associated T. and T. Retires Block of Stock

Associated Telephone & Telegraph Co., pursuant to authorization by the board of directors, has acquired out of surplus 2,123 shares of its outstanding 7% first preferred stock; 3,010 shares of $6 first preferred stock; 4,213 shares of $4 preference stock and 39,228 shares of class A stock, all of which shares have now been retired.

The number of shares issued and outstanding on the respective issues are now as follows: 7% first preferred stock, 30,844 shares; $6 first preferred stock, 44,184 shares; $4 preference stock, 19,673; class A stock, 62,203 shares.

Canada Wire Profits Up

Volume of business obtained by Canada Wire & Cable Co. in the first half of 1941 was considerably higher than a year ago, it is stated. Estimated net profits, after all charges, are placed at $418,475 this year which compares with $380,000 for the corresponding period of 1940.

For the first six months of this year profits from operations totalled $1.5 million. From this is deducted tax provision of $952,000 and $161,135 for depreciation and other charges, leaving then net profit as given above.

FEATURES
in the August issue
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Bond Markets

Provincial Bond Price Performance Brighter

Ground Lost During Victory Loan Assimilation Regained — Western Provincial Issues Reflect More Optimistic Investor Sentiment

Fear that the changing financial relationship between the Dominion and provinces might be detrimental to the provinces' credit seems to have pretty well disappeared in recent weeks.

Major developments—proposal for turning over corporation and personal income taxes to Ottawa for the duration and gasoline restrictions—have been examined carefully. Apparently none is deemed to hold dire implications for the provinces.

Since the close of the Victory Loan on June 21 prices have gained steadily. Much of the ground lost during assimilation of the huge loan has been regained.

More especially in western provincials, which lost most, the rise has been sharp. Ontario, which lost practically no ground, has shown only fractional gains in quotations.

Manitoba issues from June 21 to Aug. 4 showed gains averaging 3½ points; Saskatchewan, 5 points; Alberta, 4 points; British Columbia, 2 points. Quebec securities were up an average of 2 points; New Brunswick, 2½ points and Nova Scotia, 1½ points.

Victory Loan Period

Losses during the loan period were most probably caused by the magnitude of the loan and doubt of investors as to the market for provincial bonds in the period following. Also it should be remembered that bond salesmen concentrated on the Victory Loan to the exclusion of all else for two months.

Despite these apprehensions demand for provincial securities has been brisk and the realignment between Dominion and provincial finance has not been at all unfavorable to the provinces. The new deal offered the provinces also promises to maintain them in a more comfortable position than might generally have been expected.

Demand for municipal debentures remained keen throughout the loan period and there is a shortage of high-grade investments of this class. There is no immediate prospect of a supply sufficient to meet demand. In the absence of volume, prices have been held almost stationary.

High-grade corporation and industrial liens are still very much in demand with few investors disposed to sell. Speculation in "paper" bonds is still a feature of the market.

* * *

Quebec Gets Bank Loan

Quebec has met its Aug. 1 maturity of $10 millions by banking arrangements. Presumably the province will refund the loan when the occasion appears more suitable than at present.

The province has another $5 millions issue of 2% debentures coming due Nov. 1. Consolidation of these maturities and a public offering may be attempted at that time. It is felt that the market will have had an opportunity to "digest" the Victory Loan and a reserve of investment funds will have been built up to ensure success of the issue.

Quebec has strengthened its financial position materially since the Godbout Government took over power and it is looking for an overall surplus in the current year. It has been aided materially by war-buoyant revenue. The loss of revenue from gasoline taxes will have an adverse effect on income, Premier Godbout has stated. If, however, Quebec takes advantage of Ottawa's offer its financial position will be stabilized at a very satisfactory level.

* * *

Bond Financing Ebbs

The impact of a war economy is being felt in bond markets as much, if not more, than in other aspects of Canadian life. Harnessed directly to the war effort, capital markets are evidencing the results of tight hobbles.

In the first seven months of the the current year there was only $36.3 millions of financing done by this method. Approximately half of these represented new money and the other portion was for refunding, according to a summary by Wood, Gundy & Co.

In the same seven months last year the total was $717.5 millions. These figures, of course, exclude the Victory Loan and Dominion treasury bills.

Corporation and municipal financing has ebbed to a trickle since the outbreak of war. Corporation financing in the seven-months period amounted to $7.1 millions, compared with $24.2 millions.

Hamilton's Tax Collections Up

City's Half-Year Financial Record Best in Six Years

Finances of Hamilton, Ont., in the first six months of 1941 did better than in any similar period in the last six years, according to Finance Commissioner E. R. C. Bower. Tax collections on the current levy amounted to 63.32% against 60.32% last year and on prior levies 44.51% collected this year as against 38.23% last year. Against this, expenditures in relation to the budget are lower than they have been in the first half of any of the past six years. Figures are as follows:

Ratio of Total Budget

	Collected %	Spent %
1941	65.3	59.3
1940	62.2	61.2
1939	61.9	62.2
1938	61.5	61.8
1937	59.8	62.9
1936	60.3	61.2

Relief expenditures in the first half of 1941 dropped 70.14%, from $518,979 to $154,972. The city share of this gross relief expenditure dropped from $103,387 to $33,235.

Liabilities to the Ontario Government for $2,125,000, in connection with the acquisition by the Hamilton Hydro-Electric Commission of the Dominion Power & Transmission Co. assets, has been reduced to $600,000, bearing interest at 4%. Of this amount $100,000 is to remain outstanding for the time being, while the remaining $500,000 has been funded into short term treasury bills at interest of 1⅛ to 1¼%.

This is a temporary measure to effect an interest saving until the end of the year when the treasury bills will be redeemed with proceeds of $500,000 three-year installment debenture issue at 2% annual interest. It is stated that this plan will save the city $34,840 in interest charges.

Amal. Electric Operations Up

Suggests Continuations Capacity Production Uncertain

Operations of Amalgamated Electric Corp. have been ahead of the corresponding period of last year due to an active demand for its products arising directly and indirectly out of the war effort. In view of the dependence of the company upon the construction industry and with the rehabilitation and construction of plants associated with wartime production well advanced, however, some uncertainties are present with regard to continuance of capacity operations, it is stated.

The company has declared an interim dividend of 25 cents a share, payable Aug. 30, 1941, to shareholders of record Aug. 15. The initial payment of the same amount was made Dec. 26 last.

B. C. Telephone Sells Bond Issue

W. C. Pitfield & Co. Underwrite $1.5 Million at a Premium

From Our Own Correspondent

MONTREAL.—W. C. Pitfield & Co. has sold privately $1.5 million of British Columbia Telephone Co. 4½% series B first mortgage bonds at 105½ and accrued interest to yield 4.08%.

Proceeds of this financing will be used to reimburse the company for capital expenditures already made.

Particulars of Issue

Particulars of the issue follow:

$1,500,000
B. C. Telephone Co.
1st Mortgage Series B

Dated: June 1, 1936. Due: June 1, 1951.

Principal and interest payable in Canadian funds. Callable on 60 days notice at 107½ up to June 1, 1946, and decreasing 2½% each five year period thereafter.

Company — Second largest privately owned telephone system in Canada, serving Vancouver and Victoria and adjacent territory. Operates 137,627 telephones.

Earnings—Profit in 1940 before charging bond interest and premium, income and excess proftis taxes and amortization of bond discount, $1.7 millions. Net profits for five months ended May, 1941, on same basis, but before depreciation, $1,272,458.

Assets—Net value of assets on May 31, 1941, amounted to $23.4 millions.

Security—First and specific mortgage on all assets.

Offered by—W. C. Pitfield and Co. at 105½ and accrued interest, to yield 4.08%.

Bond Sales

Hespeler, Ont.

The $116,400 issue of installment debentures of the Town of Hespeler has been purchased by Harris Ramsay & Co. at a price of 102.651. The issue, for sewer construction, bears interest at 3½% and matures annually Aug. 1, 1942-56. Tenders submitted for the bonds are as follows:

Harris, Ramsay & Co.	102.651
Wood, Gundy & Co.	101.878
Royal Securities Corp.	101.79
Bell, Gouinlock & Co.	101.60
Harris, MacKeen, Goss	101.448
Burns Bros. & Denton	101.309
Fairclough & Co.	101.06
Cochran, Murray & Co.	100.88
Harrison & Co.	100.86
R. A. Daly Co.	100.52
Mills, Spence & Co.	99.531
Dominion Securities Corp.	99.417
A. E. Ames & Co.	99.27
C. H. Burgess & Co.	99.17

* * *

Delhi, Ont.

Harris Ramsay & Co. have purchased the $95,000 issue of 3½% installment debentures of the Village of Delhi. The issue is to mature over a 20-year period, but the issue date has not been settled, will probably be Aug. 1 or Aug. 15, it is reported. Harris Ramsay bid 101.93 for the debentures. List of tenders received is as follows:

Harris, Ramsay & Co.	101.93
Wood, Gundy & Co.	101.556
Bell, Gouinlock & Co.	101.30
Harris, MacKeen, Goss	100.72
Fairclough & Co.	100.68
A. E. Ames & Co.	99.22
Dyment, Anderson & Co.	99.13

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Victoria Realty	*6%	1948	Aug. 15	102½
Montreal Refrig.	■6%	1947	Dec. 1	par
Wood, A. & J.	6%	1944	Aug. 15	†
Remington R.	*4½%	[illegible]	Sept. 1	par

*All outstanding balance.

■All outstanding balance. Company will purchase bonds prior to the redemption date at 102, including accrued interest.

†$30,000.

HEADS NEW FIRM

H. G. Stanton, senior partner in the new firm of Stanton, Hatch & McCarthy, members of the Toronto Stock Exchange. The new firm succeeds Mara & McCarthy. Its partners include Mr. Stanton, H. W. Hatch, D'Alton McCarthy and S. C. Hetherington, all of whom were associated with Mara & McCarthy.

B. C. Packers Nets 2.63% On Sales

New Deal With United Kingdom Important in 1941 Outlook

British Columbia Packers Ltd. reports net sales for the latest year of $7.9 millions and net profits of $206.82. The latter figure represents 2.63% of the value of net sales, or 11. cents per hundred pounds of raw products handled, states H. R. MacMillan, president. The net profit this year is $183,770 less than in the previous year.

Mr. MacMillan explains this trend by summarizing the favorable and unfavorable factors which influenced last year's operations of British Columbia's largest fish processing organization. He lists the following as accounting the decrease:

1. Failure of the pink salmon run.
2. Decrease in the herring catch.
3. Lower prices in the United Kingdom for sockeye.
4. Lower oil prices.

Offsetting the above were:

1. Decrease in sockeye fish cost per case due to larger fish.
2. Increase in fish meal price.
3. Increase in volume of pilchards.

United Kingdom Deal

For the current year, Mr. MacMillan mentions that the British Ministry of Food is arranging to purchase about two thirds of the British Columbia 1941 pack of canned salmon and approximately 1.6 million cases of canned herring in tomato sauce. Terms of these prospective orders are now being negotiated.

The canned herring purchase would represent two and a half times the 1940 pack and will absorb all the productive capacity of existing canneries. This will not do away with the need for herring reduction plants but, by providing a market for all fish fit to can, will naturally limit the supply of fish available for reduction.

All surplus catch will be sent to reduction plants from those outlying areas where canning capacity is not available. Consequently, he says, there should be a substantial supply of herring meal and oil for those markets which have been built up over recent years and which in peacetime are the chief support of the herring industry. From a national standpoint these oils are of particular value, not only because of their essential food and industrial value, but also because their sale is a means of strengthening Canada's U. S. dollar position.

Distribution of Income

Mr. MacMillan shows the distribution of the company's income over the past two years. By far the greater proportion has gone to pay fishermen and employees and for supplies and miscellaneous services.

	1941 $	1941 %	1940 %
Net inc. from sales	7,852,985		
Distribution:			
Paid fishermen, employees	3,969,285	50.5	47.8
For supplies and services	3,235,188	41.2	35.6
Depreciation	287,256	3.7	4.3
*Provision for tax.	154,404	2.0	6.0
†Balance	206,852	2.6	6.3

*Dominion and provincial.

†Left as earnings to maintain business and ultimate benefit of shareholders.

British Columbia's pack of canned salmon last year was normal in quantity except for one variety, pink salmon. The run of this species was abnormally short, being only 53% of the previous cycle run. This failure, it is stated, does not necessarily indicate future failures.

Herring Pack Gains

The canned herring pack was 56% greater than in the previous year. This pack was not limited by the supply of herring but by uncertainty and method of handling United Kingdom import permits and the failure of the United Kingdom to give the company the opportunity to produce maximum quantities of canned herring.

Production of frozen fish also declined due to inability of the United Kingdom to take such products. Production of pilchard meal and oil, while much greater than the previous year, was still below normal. Production of herring meal and oil was only 50% of the previous year, due primarily to late arrival of the herring run in certain districts rather than to failure of the run.

Fish Oils Important

Production of fish oils and meals is becoming an increasingly important factor in the fishing and commercial life of British Columbia. Contrary to general belief, fish meal produced in the province is rarely used as a fertilizer. It is a valuable source of protein for cattle and poultry foods. Fish oil is important not only as a base in soap and paint manufacture, but, because of its vitamin content, is a necessary ingredient in chicken feeding oils and medicinal oils. Canadian production of fish oils is replacing oils hitherto imported from Norway and other foreign countries.

Add to Plants

Last year the company authorized capital expenditures of $258,930. Additions at Namu, Alert Bay and Pacofi were completed. A reduction plant at Deep Bay, formerly operated under lease, was purchased and its capacity increased. Equipment for cold clearing and refining oils was installed. Two large boats and nine scows were purchased. An experimental plant for developing the manufacture of new fish products is being established adjacent to the company's head office in Vancouver.

The company's late sales manager, E. Gwynne Hurrell, was lost at sea en route to the United Kingdom on company business in February. His place has been taken by Clifford B. Powell, formerly sales representative in Montreal. R. E. Walker, who joined the company's staff last year when the company purchased the firm of Edmunds & Walker Ltd., has been appointed production manager.

Ontario Stops Financial Shepherding

Nine Municipalities Now Out of Supervision

By W. BRUCE MacKINNON
Staff Writer, The Financial Post

Starting with the City of Windsor, financial supervision has now been terminated in nine Ontario municipalities. The Minister of Municipal Affairs, Hon. T. B. McQuesten, has taken the initiative in every instance. Taken out of supervision are the townships of Dysart, Etobicoke and North York; the towns of Trenton and Leaside; the cities of Niagara Falls, Sudbury, North Bay and Windsor.

The removal marks a change of policy on the part of the Ontario Government, which up to last March was reported to have no thought of curtailing the activities of the Department.

Basic reasons for the change of attitude, as given by Mr. McQuesten, are these:

1. Position of the Department as supervisor of municipalities no longer in default may easily become untenable. So long as the municipality lives up to the letter of its obligations, the Department cannot well enforce additional measures, even if it believes them necessary to avoid default. At the same time, the Department would be assumed responsible by the public for default of any municipality under supervision.

2. Ultimately, as the financial condition of municipalities improves, supervision will have to be withdrawn. Little advantage is seen in postponing the time when municipal authorities are called on to look after themselves.

3. The Department will eventually have its greatest value in providing voluntary advisory services, available to all municipalities, in or out of default. Removal of the duties of detailed supervision of municipalities where this is no longer vital frees the Department for work in the larger field of assisting rather than demanding good local government.

4. Dangers of municipal financial difficulties have been greatly reduced by debt reorganizations, reduction of relief burdens, greater provincial control over capital expenditures and the powers vested in the Department of Municipal Affairs.

Removal of supervision for eight of the municipalities came at a time when the Department's work was done, with the communities in excellent health. The Windsor story was different. If the Department's work had reached its limit, it was because the council would not co-operate in steps which went beyond the minimum terms of the refunding plan, hence could not be enforced by the Department. No longer in default, Windsor had the right, since the beginning of 1938, to petition for removal of supervision.

If Windsor was to leave the Departmental fold, it was clear that other communities no longer in default must be accorded similar treatment, not only because they deserved it, but to avoid possible repetition of the events leading up to the break with Windsor. Many of these go back to the city's depression-bred refunding plan.

Structural Difficulties

The trouble with Windsor's financial setup is that it was devised when difficulties of merging four municipalities into the present city still were to the fore. In the light of later trends in the rescuing of defaulted municipalities, Windsor probably should have gone on an interim plan during which it would have paid what it could pay to creditors while it worked out its new system.

Windsor had to pay four different rates of interest on its obligations, get two complicated plans for paying additional interest if it could afford it. It is required to meet sinking fund payments at minimum rates inadequate to redeem the city's debt at maturity (Dec. 31, 1975).

If Windsor councils so wish, there is nothing in the plan to prevent the city from showing as clean a balance sheet as any. But some of the developments of the past year show what can be done the other way.

Poor Man, Rich Man

In 1940, the question of increasing debenture interest payments came up, as it does every five years. Windsor pays 1½% to 4% on its debt, representing interest sacrifices of 1¾% to 4½% on the part of holders of the debentures of the original four municipalities, who also surrendered over 50% of their claims for arrears of interest.

In order to consider the investor, these rates are reviewed by the trustees for the bonds, not by the Department of Municipal Affairs. If it is found that the city's financial condition is improved, interest payments would be raised correspondingly up to a maximum of 4½%.

Decision of the trustees in 1940 was that no rise in interest rates was justified on the basis of increased ability to pay. But in 1941, a bare month or so after the trustee's ruling, Windsor was able to cut the tax rate a mill, recommend general pay increases for civic employees. The trustees won't have anything to say about it again until 1945.

Houses Wanted

Then there was the housing question. Windsor came under the rent peg in Sept., 1940. It was subsequently shown that in a great many cases rents at the peg date—Jan. 2, 1940—were actually below those at the outbreak of war, and were well below the level that would stimulate new building.

The peg stayed in and pretty soon the city was casting about for ways to solve its housing shortage. Unable to charge reasonable rents, landlords were selling out, and tenants were having to move out to make room for the new owners.

The trustees of the city's sinking fund can lend up to 20% of the cash in the fund to the city for "capital expenditure." Arguing that housing was a capital expenditure, it was advocated the money be used to finance housing.

But the 20% clause was only inserted to make sure that the city would be able to finance vital municipal services. In effect, the proposal boiled down to using the debenture holders' money for a real estate venture, and the Department vetoed the whole plan.

Debt Reduction

At the same time, the Department offered to help the city get rid of the quirk in its sinking fund provisions that prevents full use of sinking fund to reduce debt. The idea behind this clause was that in the first few years of Windsor's refunded operations, the city might need to conserve working capital.

Up to the end of 1945, the city was forbidden to use more than $150,000 annually to buy in its debt, with the exception of 1937, when $300,000 was allowed. To the end of 1940, the city had spent $689,184 for the purchase of $1,338,949 face value of its own debentures, but the total amount which had been credited to sinking fund was $2,347,841. A balance of $1,586,500 is invested in high grade bonds with comparatively low yields.

Improvement Rejected

The strings on the sinking fund were obviously too tight, so the Department offered to endorse the 1940 council's request for legislation that would permit Windsor to use the full amount of sinking fund to buy in its own debentures at a discount. The Department required that provision be made for cash in the fund to be invested within a specific period. Otherwise delay might depress the market before the city invested, taking unfair advantage of debenture holders. The Council refused to support the measure so long as any specific period was included and the plan was dropped.

Another difference took place this year, again over the housing question. Windsor made an offer to Wartime Housing Ltd. to supply lots at $1 apiece, with a guarantee that taxes on the properties would not exceed $10 per unit annually. The land to be used came to the city as a result of tax arrears proceedings and it has been the principle of the Department that such lands should be used to get municipalities out of debt.

The Department refused to permit the gift to Wartime Housing Ltd. Equally important in the refusal was the fact that the tax limitation would have discriminated against owners of similar homes in Windsor paying in the neighborhood of $50 to $60 annually in taxes.

In most of these differences between the city and the Department, the council brought forward issues with popular appeal. The Department has been put in an embarrassing position in having to veto such plans, thereby making the local crusaders appear to be frustrated by officialdom at Toronto.

Present Outlook

With the Department out of the picture, what is the outlook for the Windsor taxpayer and debenture holder?

First result will probably be a pay increase of $70,000 or more to Windsor employees. That works out on the Windsor assessment at about 8/10 of a mill. The increase, particularly if followed by other increases in expenditures, may boost the city's operating costs over $2.9 millions.

If this occurs, Windsor will have to tax an extra $1.25 for every dollar costs go above the $2.9 millions figure, to pay income interest on its debentures. In other words, over the $2.9 million mark a $70,000 increase for employees' pay would cost the Windsor ratepayer $157,500, or approximately 1.8 mills.

Debenture holders stand to benefit initially if higher expenditures bring the income interest clauses into operation. Removal of supervision also restores the rights of creditors to bring suit against the city, restricted while it remained under the Department's wing.

But the longer run view hinges on the future actions of Windsor's councils, ultimately on the attitude of the Windsor ratepayers. What investors think of the situation may be indicated by the five-point drop in the price of Windsor 3¼% debentures. This pessimism may prove unjustified by later developments. Since the Department was not able to supervise the city in the manner which it deemed proper, supervision has recently apparently been of little real significance.

The other municipalities which have been removed from supervision have an altogether different record. Against the highest current quotation of 82 for Windsor 4% bonds, the debentures of the others are selling near to or above par. Taxes have been adequate for debt service and windfalls in the way of sales of tax lands, etc., have gone to debt reduction. The debentures have scarcely flickered in price with the announcement of their changed status.

While the Department's apparent abandonment of the Windsor taxpayer and debenture holder has been criticized, the province still holds the whiphand in the situation, as it does in all municipalities, in or out of default. Under the Department of Municipal Affairs Act of 1935, violation of any of the governing statutes, or the failure to levy and collect adequate taxes, or excessive expenditures by a municipality are sufficient to bring the community under the Department's control.

Under the watchful eyes of creditors armed with the right to bring the city to court, and the equally intent observation of the Department, Windsor may walk a straighter path without supervision than with it.

New War Savings Drive Slated to Start Sept. 12

A new campaign to swell war savings certificate sales across Canada is tentatively scheduled to start Sept. 12, 1941, with an objective of $150 millions a year. Unlike the big February drive, the September campaign will not occur simultaneously across the country, but will be staggered to cover with various areas separately.

Emphasis is being placed on setting objectives for individual sections in line with the community's saving power. The objective will tie in with the economic conditions of the areas affected and the amounts already subscribed to war savings and Victory loans.

Economy is a major objective in the management of the campaign, and this is one of the reasons for staggering the drives in the various sections. It is expected that by this means each area will receive more intensive canvassing at lower cost than if the entire country were to be approached simultaneously.

Stelco's Plants At Capacity

Steel operations at the plants of Steel Co. of Canada continue at full capacity, according to Ross H. McMaster, president of the company.

During the past quarter, the supply of basic steel available was augmented by the new 150 ton open-hearth furnace, constructed under an arrangement with the Dominion Government, which commenced operations on June 26.

Blast Unit Nearly Ready

The new blast furnace being constructed under the same arrangement will be blown in some time during the current month.

The output of the new plate mill Mr. McMaster reports, has increased each month enabling the company to make an important contribution to the war effort.

"Its conception and direction," he says, "have proved to be most fortunate as the demand for plates for shipbuilding and other purposes has exceeded capacity production in both Canada and the United States."

Can. Invest. Fund Reports Gain

Surplus After Dividends Up in First Half of Year

Canadian Investment Fund Ltd. interim financial statement for the six months ended June 30, 1941, shows total income of $230,139 and net profit, after expenses, of $205,125. Following payment of dividends, balance in distribution account was $156,263 as against $134,405 at the beginning of the year.

Balance sheet as at June 30 last shows assets of $8,453,419 made up of investments totalling $8,227,341, current assets of $223,012 and deferred charges of $3,065.

The aggregate market value of investments at June 30 was $6,956,062.

Few Stock Changes

The investment portfolio shows relatively few changes over the past year. Among common stock holdings the only change was a reduction in the holdings of Loblaw Groceterias "A" from 900 to 500 shares and an increase in the holdings of the same company's "B" shares from 1,830 to 2,230.

No changes have taken place in holdings of preferred stock, while holdings of bonds were increased by the purchase of an additional $160,000 of Dominion of Canada bonds.

At the end of last month, the company had outstanding 2,231,194 shares. Since the beginning of the year, 17,029 shares were issued and 59,581 shares redeemed and cancelled.

WOOD, ALEXANDER BONDS

Funds are available to the amount of approximately $30,000 for the purchase of 6% first mortgage bonds of Wood, Alexander & James under sinking fund provisions. Offerings of bonds for sale will be received by the trustee, National Trust Co., Hamilton, Ont., up to and including Aug. 15, 1941. Each offer will be deemed to include accrued interest, and to be for the whole or any part of the amount offered at the rate specified in the offer.

Bond Tenders

Aug. 20—Salaberry-de-Valleyfield, Que.—$43,000, 4%, 20-year installment.

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The Editorial Page . .

A Job for Canada to Do

There are indications that the authorities at Ottawa are beginning to realize the seriousness of Canada's lack of powerful short-wave facilities. The fighting democracies are at a grave disadvantage in stating their case and publishing their version of the war news. Practically all of Europe's radio stations are under Axis control. Britain's two stations broadcast on half a dozen wave lengths that are jostled by Hitler's 100 or more. Yet Canada has declined to enter the shortwave field with broadcasting facilities adequate to cover even this continent.

Hon. Joseph Thorson, Minister of National War Services, would receive much public support if he were to provide at least one major short-wave station to make use of the wave lengths assigned to this country. If we do not start using them soon, some other country may appropriate them.

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Miracle Doctors and the Church

The United Church Observer publishes a delightfully fantastic plan by one, George E. Creed, to provide "interest-free" money for churches. Why should churches contribute to unearned, private profits by paying interest on mortgages? the writer asks. Let the Bank of Canada "create" the money, lend it to the churches, which in turn would cancel the created money by annual payments of one-fiftieth of the capital amount. The scheme, says the author, "is as sound and reasonable as anything could be."

But he lets the cat out of the bag. He is not as much interested in churches as in promoting a "crazy money" scheme. If we can provide interest-free money for churches, why not for homes? he asks. His scheme is, after all, just a minor application of the Hallatt brand of inflation. The application to churches is just to arouse interest in the larger plan of getting all out our public works, churches, houses, etc., without cost, by the simple process of having the Bank of Canada print the necessary money or set up the necessary credits in its ledgers.

If someone had suggested to the editors of the United Church Observer that they publish an article proposing that churches be "paid for" by printing press inflation, they would no doubt have been shocked by the suggestion and would have rejected the plan summarily. But when a writer conceals that very plan in a lot of nonsensical language about our "iniquitous money system" and a "practical, non-inflationary plan" for "interest-free money" they do not hesitate to let the article go out to delude their readers and arouse hopes of the creation of new "wealth" in the form of figures in a bank ledger.

All these fantastic money schemes are based upon the root fallacy that bricks and mortar and labor and things can be created by writing digits in a book. They assume that token currency is wealth and not just a claim on wealth. They overlook the fact that inflation is simply taxation, the most inequitable, and uncontrollable form of taxation.

When churches—or factories or homes or railways—are built there is an expenditure of labor and materials. In other words, wealth in its only tangible forms is utilized. If churches can induce people to give their time and their materials free to construct new buildings, they can get their churches free. But there is no getting around the fact that the labor and the materials have been consumed and there has been a transfer from the individuals to the churches of the real values represented.

If churches were financed by inflation there would still be a transfer of the values. The churches would have the product of the labor and the materials; but someone else would not have some other product that might have been produced by the labor and those materials. No doubt much of the labor and materials now used for other purposes could be better devoted to the construction of churches. But printing press inflation will not assure fair and just diversion.

The United Church, like other churches, is largely dependent upon two things: the loyal work of the laborers in the vineyard and the generous contributions of people who have made their money by work and self-denial. Churches should be as wary of witch doctors in the field of finance as they are of witch doctors and charlatans in the field of religion. The United Church Observer is ill serving the cause of Christian belief by letting false ideas be propagated in its columns. If it thinks that churches should be built out of public funds, raised by taxation, let it say so. But it should not ask its readers to trust in the staff of so broken a reed as currency inflation.

"In the sweat of thy face shalt thou eat bread" and in the sweat and happiness of human work will churches be built.

Mobilizing Industry for War

No country in the world set up a more efficient system for industrial mobilization in the last war than did the United States. It had the experience and particularly the mistakes of all the other belligerents to guide it. The War Industries Board, established in March 1918 under the chairmanship of Bernard M. Baruch, provided a pattern for all such centralized national war planning schemes.

When Hitler came to power and set out to turn Germany into the world's mightiest arsenal he modelled his industrial controls upon the Baruch board.

With so well tried a model before them, no one of the warring democracies has yet attempted to take full advantage of the lesson. Britain is still producing at less than its potential capacity because it has moved reluctantly toward the powerful centralized control of industry that is essential. Canada's scheme of industrial mobilization is still a mixture of political and business control, with inadequate co-ordination between different phases. In the United States—to use the words of General Hugh S. Johnston:

> "Apparently reluctantly, but none the less certainly, step by fumbling step, the new planless pattern is gradually being brought back and draped on the proved pegs of the old. It is being brought back by the clutch of circumstance and the pressure of necessity. It will eventually be adopted piece by piece because it is right and is the only method ever adopted anywhere that worked so well."

What is that system that "worked so well"? It was the centralization of all phases of industrial production under a War Industries Board, of which the chairman was an experienced able business executive, entirely removed from political pressure of any kind.

Since the world war, the chairman of that board, Mr. Baruch has from time to time put on record the complete story of American world war industrial planning. These writings have been gathered together by Prentice-Hall, the New York publishers, in a most useful volume entitled "American Industry and the War."

It contains many lessons for Canada. The chief lesson is that the United States got the best results in war production when it vested full powers over industry and war supply in one man who in turn decentralized the execution of his powers among other business administrators of his own choosing. This step was taken when it became apparent that no such all-out effort could be achieved "without a sanction, control and leadership in industry sufficient to organize and deal with it as practically a single unitary system instead of a highly competitive community."

The principle of the organization was simple "Committees for counsel—a single responsible head for action."

Industrial mobilization, Mr. Baruch makes clear in this volume, "is an economic problem requiring the ablest leadership in industry. It is utterly unsuited to military administration."

"American Industry and the War" is published in Canada by McClelland and Stewart, Toronto. Those seriously interested in ways and means of getting the most out of a nation's industrial machine in war might well study it.

An Unjust Tax Cancelled

In cancelling the 15 cents per bushel wheat processing tax last week by Order-in-Council, the Dominion Government is removing a levy which never should have been applied. It was inequitable and impractical.

Millers and bakers were not allowed to pass it along to the consumer. It was not made applicable to all parts of Canada, Quebec being exempted. Intended to offset the cost of subsidies needed to maintain artificial and high minimum prices for wheat, it could not, unless the rate was trebled or more, possibly provide more than a fraction of the revenue needed for this purpose.

Ignored by the authors of the wheat processing tax was the undisputed fact that bread prices and baker's profits in Canada have been abnormally low. Canada Bread Co., for instance, in its annual report last week reported a profit of one seventh of a cent on each loaf of bread sold. This compares with one quarter of a cent in 1940, one half a cent in the year before the war. By no stretch of the imagination can such profits be construed as high. And it was the bakers who finally were called upon to meet the whole of the processing tax, estimated to add one third of a cent to each loaf of bread manufactured.

Had the processing tax been designed to meet the full cost of Canada's wheat policy and had it been arranged so that bread consumers would have known that they were paying this full cost, then there might have been some justification for the levy. But of course consumers would have rebelled at such a fantastic price.

Two Hours: Fifteen Dollars

It is reported that the House of Commons special committee on war expenditures meets only two hours a day. The reason given is that the stenographic reporters can not get through more than that amount of evidence in a day.

The members of the committee are being allowed $15 a day for attendance. Most of them would probably rather be at home than sweltering in Ottawa, even for $15 a day. Why, then, do they not hire more stenographers to keep up with the evidence, so that they could sit more than two hours a day?

Editorials in Brief

Major-General J. H. Elmsley, Ret., writes to the Globe and Mail, Toronto, his opinion that if conscription is necessary and the Government is not prepared to bring it in it should resign.

* * *

L. S. B. Shapiro, Washington correspondent of the Montreal Gazette, continues to prove, by citation of actual examples, how inadequate is our information machinery in the United States. He quotes numerous examples of false statements about Canada widely circulated across the border which our Government has not attempted to head off or answer.

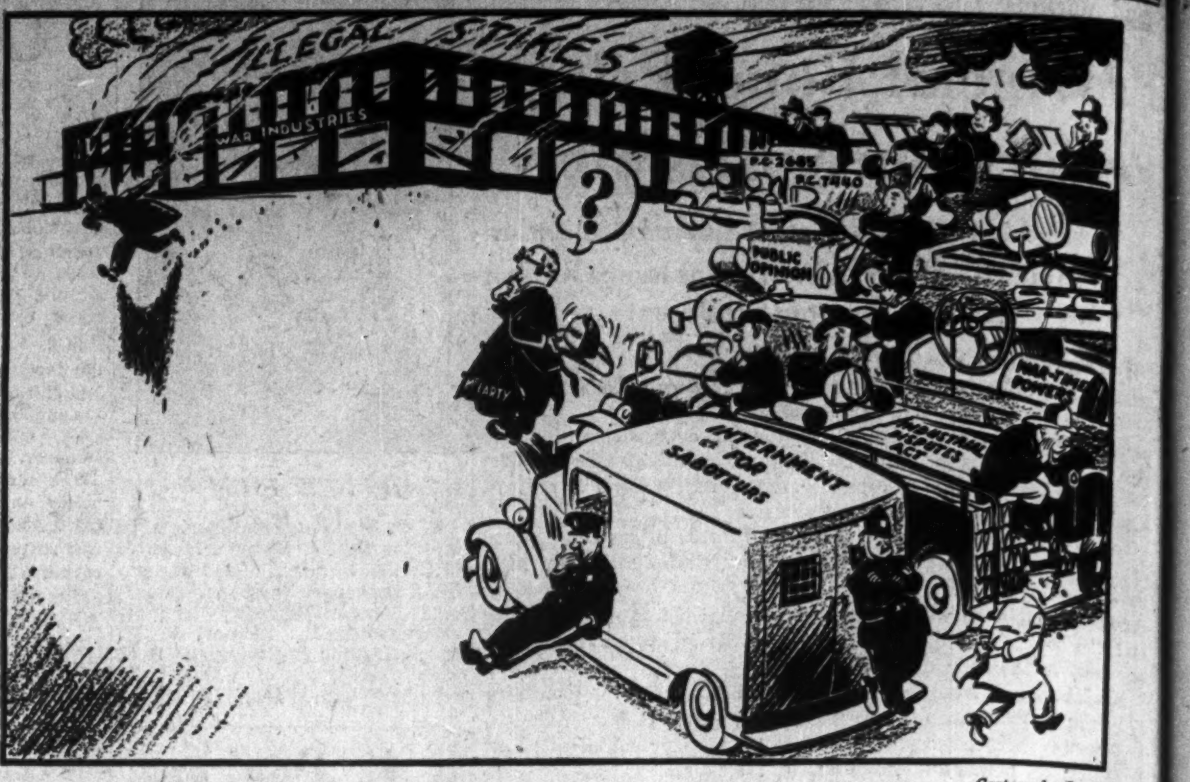
Canada's incompetence in propaganda in the country that wants to know and believe the best of our war effort is shameful.

* * *

John L. Lewis, head of the Canadian as well as the American C. I. O. unions, said in evidence before a Congressional committee in Washington:

> "Canada is in the war but she is lackadaisical about this. Canada is at war, yet she has failed to adopt conscription. We are at peace and we have conscription."

The most lackadaisical phase of Canada's war effort is our failure to deal promptly and energetically with Mr. Lewis's lackeys when they obstruct war production here with their illegal strikes.



"WHAT DO I DO NOW?"

—Cartoon by Grassick

Post-Scripts . . . .

To Newfoundland

When the Government wanted someone to go to Newfoundland as first High Commissioner to our neighbor-across-the-straits, they had to reach almost round the world for the man.

C. J. BURCHELL

They chose Charles J. Burchell, presently in Australia doing a grand job as High Commissioner down there.

Here are some of the back-stage reasons for the choice:

1. Canada-Newfoundland - U.K.-relations these days are full of constitutional difficulties and problems. Mr. Burchell is an outstanding constitutional lawyer. He has made important contributions and studies in this field; has attended many conferences on the subject, etc.

2. Canada-Newfoundland relations are deeply entwined with shipping problems. Mr. Burchell stands at or near the top of the list as an expert on shipping law.

3. Canada - Newfoundland problems must inevitably be concerned with fish and fisheries. Mr. Burchell (as a Nova Scotian) knows a lot about the Maritime fisheries.

4. Lastly, there's an important "social relations" job to be done. Bluff, cheerful, active, competent, Burchell looked like just the sort of man to tackle that side of the job.

So Ottawa is feeling pretty pleased about its choice even though it involved bringing Mr. Burchell back from "down under."

There is confidence that Newfoundlanders will be equally pleased with Canada's choice.

* * *

The Duke's Aide

Group-Captain Sir Louis Greig, C.V.O., who is accompanying the Duke of Kent on his Canadian tour, has won distinction in various fields. A native of Fifeshire in Scotland, where he was born in 1880, he was educated first at Merchiston Castle School in Edinburgh, At one time this was a very favorite school for Canadian boys, and turned out such eminent citizens of the Dominion as Mr. Justice Barclay and Mr. Justice Errol Macdougall of Montreal and D. L. McCarthy, K.C. of Toronto. At Merchiston Louis Greig learnt to play rugby football with great skill and when he was later attending Glasgow University, represented Scotland at halfback in international matches several times. At the university he studied medicine and qualified as a doctor in 1906.

In that year he joined the Royal Navy as a Surgeon-Lieutenant and after serving at various stations went to France in the fall of 1914 as a surgeon of a battalion of Royal Marines. In October, however, he was taken prisoner in the operations round Antwerp but within a year escaped and resumed his duties as a surgeon with the Dover patrol. In 1918, he transferred to the Royal Air Force.

His association with the royal family began after the war, when the late King George selected him to be Comptroller of the household of his second son, the present King, then Duke of York. He was very popular with all the royal family but in time he grew tired of the life of a courtier and having married Miss Phyllis Scrimgeour, the daughter of a prominent London stockbroker, he accepted an invitation to become partner in her father's firm, J. & A. Scrimgeour. So he was an active man of business when the present war broke out, but at once offered his services and found no difficulty in rejoining the Air Force.

Now in his 61st year Louis Greig retains his fine athletic figure and the years have dealt easily with him. He has been an assiduous player of games all his life and after his footballing days were done he became an excellent tennis player, being today chairman of the All England Tennis Club. At Thatched House Lodge in Richmond Park he has a pleasant home for his family which consists, besides his wife, of a son and two daughters.

* * *

Lumber Czar

A good many years ago when he was running a small retail lumber yard in his native Burlington, Ont., Allan Stanley Nicholson used to boast laughingly: "I started this business with a thousand dollars and a horse."

A. S. NICHOLSON

Then he'd look out of the window of his little two-by-four office and point to the horse hauling lumber around the yard.

"And now," he'd say, with a sparkle in his eye, "all I've got is the horse."

There may have been a measure of truth in that during one or two phases in Nicholson's early career in the lumber business, because there has always been the quality of daring in him. He has never been content to sit back and let business come his way. He has been a hustler all his life.

* * *

And now that he has been appointed Timber Controller Mr. Nicholson may be expected to inject his spirit of hustle and drive into one of Canada's most important departments of wartime industrial mobilization.

Nicholson succeeded Loren S. Brown as Timber Controller only very recently, but he has been with the Timber Control Board ever since Hon. C. D. Howe, Minister of Munitions and Supply, called in Vancouver's ruggedly aggressive H. R. MacMillan and told him to take charge of the nation's timber mobilization.

No one could match MacMillan in the big-scale production and export phases of the lumber business, and MacMillan is the type of man who can adjust himself to an unfamiliar problem almost overnight, as he has demonstrated in his new career as top man in Canada's Wartime Merchant Shipping, Ltd.

But MacMillan was smart enough to realize that there was a wide gap in his knowledge of the timber business. That gap was in the domestic wholesale and retail end of the industry, and he realized, too, that the complicated nature of that department of lumbering was something you just couldn't take in your stride.

MacMillan knew that timber control meant not only control over exports to the United Kingdom, which was something he knew all about; but that it concerned the supply and distribution of hundreds of wholesale organizations and retail yards, big and small, from west of the Rockies to the Maritimes. And when he turned over in his mind the names of the men who might be able to help him as deputy he thought first of Allan Nicholson and didn't bother to think very seriously of anyone else after Nicholson wired back acceptance of the post.

During the historic first few months of the Canadian Timber Control, orders were placed hurriedly for more than 300 million board feet of dry lumber for the building of air training centres from coast to coast. At the same time industry was called on to continue its gigantic task of maintaining Britain's softwood supply and seeing that the domestic market enjoyed stabilized prices. The broad policies of principle were settled by MacMillan, but the man who actually did the buying and looked after the distribution throughout Canada was the man who started out with a thousand dollars and a horse.

* * *

"I doubt whether there is anyone in the lumber business in Canada who has a more complete grasp of the merchandising setup of the industry," remarked one of Nicholson's associates the other day. "He's one of the few men who personally know almost every lumber retailer from the Pacific coast to Halifax, who knows exactly where he can find a certain class of lumber at any one place in Canada regardless of the province."

Mr. Nicholson has sold lumber almost since he can remember, and today his own company, Nicholson & Cates, is regarded as the largest wholesale distributor of softwood lumber in the Dominion. In a relatively small way he has been interested in lumber production, too, as a director of the Crow's Nest Pass Lumber Company at Warder, B.C. and operator of a sawmill at Midland, Ont.

Primarily interested in the wholesale end of the business, Nicholson heads a large distribution unit in Ontario—A. S. Nicholson & Sons, operating a fleet of trucks which deliver lumber to smaller yards buying in less than carload lots in Ontario.

Before the war he became associated with Terry & Gordon, lumber wholesalers. The firm later became known as Terry, Nicholson & Cates. In 1931 the present firm name of Nicholson & Cates was organized, with affiliations in every province.

* * *

Goes to Washington

Robert E. Allen, Alberta's oil and gas conservation board chairman since September, 1940, recently accepted a new post in Washington. He takes with him a wealth of experience. Mr. Allen's services were personally requested by Harold L. Ickes, United States petroleum co-ordinator, in a recent note to the Alberta Government.

For several years before he came to Alberta Mr. Allen was engaged in proration and conservation work in California. He is a graduate in geology from the University of West Virginia. W. F. Knode, whom Mr. Allen succeeded in Alberta, also was a graduate from that institution.

Allen was a resident of San Gabriel, Calif., when he came to Alberta, making his headquarters with the conservation board in Calgary. He came from the U. S. highly recommended by the American government's bureau of mines. Hon. N. E. Tanner, Alberta minister of lands and mines, first met Mr. Allen when the latter was in Vancouver filling a speaking engagement.

As an engineer Mr. Allen is familiar with the development programme of oil fields throughout North America and other parts of the world. He is an ardent booster of Alberta's oil future and frequently has been quoted as believing "all of Alberta from the Peace River country to the southern border" was potential oil country.

Other People's Views . . . .

The Canadian Editorial of the Week

Leave Them Interned

Winnipeg Free Press

If the Canadian Communists could only realize it, the intermittent agitation for the release of their interned leaders only provides additional proof of the soundness of the argument in favor of keeping them behind the wire.

These people are trouble-makers. The fact that they were Communists and that the Communist party was likewise a trouble-maker is almost incidental. And today none of the agitators for their release ever show any public token of their conversion from trouble-making. They do not say they are now for the war that they were formerly against. They talk only in the most general terms about how the war—due to Russia's entrance into it—has now become a war against Fascism. How the war which yesterday was a capitalist war and a war of rival imperialisms, etc., etc., has undergone this miraculous conversion, nobody knows—least of all this handful of trouble-makers.

It is significant that Great Britain has refused to release its interned Communists, that Australia has likewise refused, and that Canada has also decided to do nothing about it.

These Canadian Communists were interned because they were actively interfering with the progress of a national effort, supported by 99% of the population of Canada, to fight Hitlerism. Up to early in September, 1939 (after war had broken out), the Communists were a part of that national effort. They cheered it on. They pledged support.

Then, suddenly and without warning, the line changed. The war took on an evil hue. It was a war directed against the workers' interests. It should be opposed. After long delay and with great moderation the most violent Canadian exponents of this creed were interned. Until there is proof, and very complete and extended proof, that these interned men are honestly behind the war, they should stay where they now are. Of that proof there is not the slightest sign or evidence.

For the Communists the war has changed because Russia is now an ally. But Russian intervention in the war has not affected Canada's position in any respect. Canada declared war on Germany regardless of the Russian position. Canada is pleased to have another ally at this late stage. But the war in July, 1941, is still the war it was in September, 1939.

* * *

As Others See Us

Our Empty Factories

Bowmanville Statesman

"A bits-blitz has been started to break war supply bottlenecks, spread output into thousands of small plants across Canada, and save millions of dollars on new plant expenditures;" so writes Kenneth R. Wilson in The Financial Post. The meaning of this is that the Government, through Hon. C. D. Howe's Department of Supply has assessed its policy and reversed its former stand that small town plants were not needed. We may accept the above information without reserve because Mr. Wilson has, for fifteen years been an outstanding, authoritative journalist, and has only a few days ago, established an Ottawa office for The Post.

It will be recalled that some months ago a Bowmanville delegation met Mr. Howe in his private office and placed before him facts and plans of Bowmanville's empty factory buildings. The result was "nothing doing" and in his reply the Minister merely reiterated the set formula which was the policy of the day and which lacked both sense and sincerity. Now it appears that they have come to accept the idea of decentralization; that employment of Canada's full labor capacity cannot be accommodated until every last small factory is equipped to manufacture something, no matter how small, that will fit into an all-out war effort.

* * *

Saving Millions

Weston Times & Guide

In this as in every other war complaints that those engaged in the manufacture of munitions and other war material are receiving enormous profits, that millionaires are being created at the expense of the taxpayers. In the Great War similar charges were heard, and in some cases not without justification.

The matter is referred to in the latest issue of The Financial Post, not in the way of a defense of any individual or corporation, but rather as a plain statement of fact. A visit to some of the munition plants would enable those who complain to "discover that our industrialists are slashing hundreds of millions off war costs, simply by utilizing technical methods that the heads of the fighting services and other government departments never heard of," say The Post.

A number of examples are given to show how great savings are being effected.

In presenting such information to the public The Financial Post is doing a good service. Nothing is more injurious to public confidence than a belief that while young men are giving their lives for the country, others are bleeding it for their own benefit. Where there is evidence of exorbitant profits exposure should be made and punishment inflicted, but care should be taken that nothing but facts are presented.

Seeking a Leader

St. Catharines Standard

The Financial Post discusses the national urgency of a new leader for the Conservative party. Many names are being suggested, all more or less old ones, those who are "rather uninspiring routine political craftsmen." The Post hits the nail on the head when it says: "No name yet suggested burns like a beacon in the dark."

It is realized, as never before, that a strong array on the left of the Speaker, in the Canadian House of Commons, makes for a stronger and better government which sits at the right. The present condition can be remedied when the National Conservatives get that spark and genius of fighting constructive leadership, and when the party itself goes back to its old traditional principles.

The Conservative party is in the Slough of Despond today because of forsaking first principles on which it was founded. Something of the old Macdonald spirit, "A British subject I was born, a British subject I will die," is needed. The country in 1935 discarded the forthrightness and honesty of purpose of an R. B. Bennett for its present indirection, indecision and vacillation. And when the next election takes place, the universal song of Conservatives should be: Roll out the Pork Barrel, meaning, get rid of it forever from national life.

* * *

What the Papers Are Saying

French Canada

L'Action Catholique

French-Canadians are as eager as anyone for the destruction of Nazlism and all it stands for, especially since Canada is manifestly threatened. Everyone in Quebec eagerly desires the defeat of brutal, anti-Christian Naziism and generously accepts all necessary sacrifices to this end; but unfair treatment of French-Canadians by the Federal authorities may somewhat dampen our enthusiasm here and there.

* * *

Sayings of the Week

"A German invasion of the Americas is not a fantastic dream." — *Douglas Fairbanks, Jr.*

* * *

"Privileges always for all of us everywhere carry responsibilities." — *Lord Halifax.*

* * *

"The war will be won by the side that has the last barrel of oil." — *A. G. Gardner in John Bull.*

* * *

"Humanity cannot permanently make terms with injustice, with wrong, and with cruelty."—*Henry L. Stimson.*

* * *

"If one is too long in one place he is likely to become fixed in his thoughts about it." — *General Sir Archibald P. Wavell.*

* * *

"Canada wants conscription of man-power and material resources as an all-out war effort."—*Murdoch A. MacPherson, K.C., Regina.*

* * *

Stop Me If . . . .

Many British naval units are being repaired, refitted, etc., in American ports. The newspapers of the United States, even those of the ports concerned, respect the official request not to publish the names of such vessels. But the arrival of such vessels, with their large crews, is always the subject of much excitement in the shipyard communities.

Lord Halifax tells a story to show how "hush-hush" the whole business is. A civilian stopped a British tar and asked him the meaning of the letters "H.M.S." on his cap. The sailor replied:

"Hi mustn't say."

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The Week in Business

Current business continues to show gains over last year with the D.B.S. index of business activity for week ended July 26, 11% above corresponding week of 1940 and slightly above previous week.

Railway traffic expands steadily. Carloadings for week ended July 26, almost 15% above last year. Gross traffic earnings of C.N.R. and C.P.R. substantially higher for both last 10 days of July and first seven months of 1941.

Flour production in June and first six months of 1940 well above last year.

Retail sales index in June about 15% higher than year ago.

Sea fisheries active. Catch up 28% for June, but 24% lower for six months. Landed value 64% higher in June and 19% higher for six months.

Bank debits rise more than 50% in June, reflecting transfers of money for war loan purchases. Total for half year up 10%.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪

TREND OF BUSINESS—	July 26	July 19	July 12	July5	July 27/40
Weekly index of business, D.B.S.	113.5	112.2	112.9	113.0	102.7
Commodity prices index no.	91.1	91.2	90.6	90.3	82.7
	June	May	Apr.	Mar.	Year Ago
The Financial Post business index	*156.6	150.3	147.9	150.7	141.7
National Income, D.B.S.•	....	438.8	432.4	413.3	403.0
▪Retail sales index no.	134.3	134.7	135.3	129.3	116.6
Dept. stores sales index no.	123.3	129.4	133.4	124.9	106.5
Wholesale sales index no.	140.0	148.4	141.7	125.1	136.3
▪Country store (% change pr. yr.)	+5.2	+8.8	+13.3	+5.5	+8.3
COST OF LIVING—					
D.B.S. index	110.5	109.4	108.6	108.2	104.9
Family weekly budget	....	$18.30	$18.23	$18.16	$17.85
EMPLOYMENT INDEX Nos., D.B.S.	May 1	Apr. 1	Mar. 1	Feb. 1	Year Ago
▪All industries	145.5	141.3	135.3	135.2	114.3
▪Manufacturing	162.3	158.2	150.8	147.4	125.7
			Jan. 1 to date		%
RAILWAYS	1941	1940	1941	1940	Change
▪Carloadings (week July 26)	63,188	54,655	1,743,861	1,520,858	+14.3
▪C.N.R. gross (week July 31) $	8,849,262	7,267,327	167,370,930	136,076,583	+22.9
▪C.P.R. gross (week July 31) $	6,727,000	5,353,000	119,199,000	90,689,000	+31.4
C.N.R. net revenue (June) $	6,828,443	5,561,206	32,108,211	16,200,082	+98.2
C.P.R. net revenue (June) $	4,068,304	2,923,054	19,919,694	12,636,006	+57.6
IRON AND STEEL—(June)					
Pig iron production (tons)	112,313	88,656	625,551	549,627	+13.8
Steel ingots and castings prod. .... (tons)	187,163	166,213	1,148,435	958,240	+19.8
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (June)	8,108	12,604	58,087	69,702	—16.7
Factory output ... (June)	8,538	8,739	65,199	72,179	—9.6
Trucks and Buses:					
Domestic sales* .. (June)	3,557	2,950	20,766	16,897	+22.9
Factory output ... (June)	17,215	9,191	87,672	38,767	+126.3
Financing:					
Used .... (June) $	5,911,251	4,860,525	28,677,863	21,402,739	+34.0
New .... (June) $	3,764,209	3,979,592	22,670,186	19,611,966	+15.6
CONSTRUCTION—					
Contracts awarded . (June) $	85,747,500	39,097,000	215,466,600	125,435,500	+71.7
Cement prod., bbls. (Apr.)	569,000	420,000	1,531,746	1,066,862	+43.6
AGRICULTURE—					
▪Flour prod., bbls. .. (June)	2,117,976	1,170,238	10,016,499	7,567,572	+32.3
▪Flour exp., bbls. .. (June)	1,750,924	509,308	5,462,140	3,752,006	+45.5
Wheat exp., bush. . (June)▪	23,113,604	13,570,107	99,021,326	67,702,282	+46.2
Cattle sales▴ .... (June)	82,866	72,661	476,488	449,560	+5.9
Hog sales▴ .... (June)	401,232	324,187	3,011,409	2,323,432	+29.6
SEA FISHERIES—‡					
▪Catch, cwts. .... (June)	1,044,000	814,000	3,645,800	4,829,500	—24.5
▪Landed value ...... (June) $	2,823,100	1,754,300	7,544,330	6,316,200	+19.4
NEWSPRINT—					
Production, tons ... (June)	273,697	315,343	1,621,134	1,641,987	—1.2
Exports .... (June) $	15,168,000	12,688,000	71,657,357	66,078,845	+8.4
MINING AND OILS—					
Coal prod., tons .... (May)	1,198,255	1,267,687	7,233,211	7,104,896	+1.8
Coal import, tons ... (May)	1,309,690	2,372,411	3,567,819	4,313,023	—17.2
Gold rec., fine oz. . (June)	405,631	422,257	2,539,879	2,435,293	+4.2
Crude oil imp., gals.† (May)	199,517	147,775	460,563	393,344	+17.1
ELECTRIC POWER OUTPUT—(June)—					
▪Total monthly, 1,000 kw.h.'s	2,560,060	2,578,883	15,732,385	14,968,503	+5.1
FOREIGN TRADE—•					
▪Imports .... (June)	114,923,715	90,704,835	645,284,416	496,100,785	+30.0
'Exports .... (June)	146,822,378	111,1621,656	720,313,307	553,711,029	+30.0
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.:					
1,000 bd. ft. .... (June)	169,316	246,477	951,368	986,305	—3.5
Shoes, prod., pr. ... (May)	2,843,157	2,192,983	12,175,597	10,974,957	+11.0
Cotton consump., lb. (June)	15,915,739	15,378,128	98,620,217	96,600,255	+2.0
Raw rubber imp., lb. (May)	12,536,317	6,961,021	49,437,563	38,651,615	+27.9
Cigarette cons. No.† (June)	665,120	571,268	3,808,680	3,696,588	+3.0
Sugar manufactured . lb.§	102,412,562	107,509,859	365,993,288	383,849,627	—4.6
FINANCE—					
▪Bank debits† .... (June) $	4,240,630	2,681,585	18,610,099	17,001,690	+10.5
Bond sales† .... (June) $	40,100	40,851	473,434	1,138,868	—58.4
Life insurance sales (June) $	33,670,000	28,530,000	198,766,000	188,368,000	+5.5

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▴Total at yards and plants.
New items for week marked ▪
†000's omitted. §For four weeks to June 14. *Gold excluded.
•Millions of dollars.

Canada-Alaska Air Run Sought

Western Air Lines Would Establish Lethbridge - Fairbanks Service

From Our Own Correspondent

MONTREAL. — Extension of its regular service across Canada to strategically important Alaska is being sought by Western Air Lines, important U.S. operator, in an application to the United States Civil Aeronautics Board. The line would extend from Western Air Lines' terminus at Lethbridge, Alta., to Fairbanks, Alaska, via Calgary, Edmonton, Grande Prairie, Alta., and White Horse, Y.T., and from there to Nome and Anchorage.

To inaugurate such a service it would also be necessary to obtain permission of the Dominion Government. There has been no indication the U.S. concern has sought a permit from Ottawa.

Would Stimulate Travel

Such a service would clash with Pan American Airways Seattle-Fairbanks run, the application to Washington admits. It would also encroach upon territory now served by Yukon Southern.

Western Air Lines, however, claims Pan American cannot operate its Alaskan service satisfactorily in winter, whereas the inland run could be operated the year round. Moreover, establishment of the Lethbridge-Fairbanks service would stimulate travel and offset disadvantages to other companies.

The application stressed the defense aspects of the service.

B. C. Loggers Buck Jobless Insurance

From Our Own Correspondent

VANCOUVER.—British Columbia logging operators are opposing the proposal now being advanced in Ottawa to place employees of the timber industry under the Unemployment Insurance Act.

About 8,000 men are normally employed in the logging camps, and the operators declare that the turnover is so rapid and the operation so seasonal that application of unemployment insurance would be far too complicated to justify its enforcement.

At present many of the larger logging camps are shut down due to the midsummer fire hazard. There is always a general closure on woods operation in midwinter too.

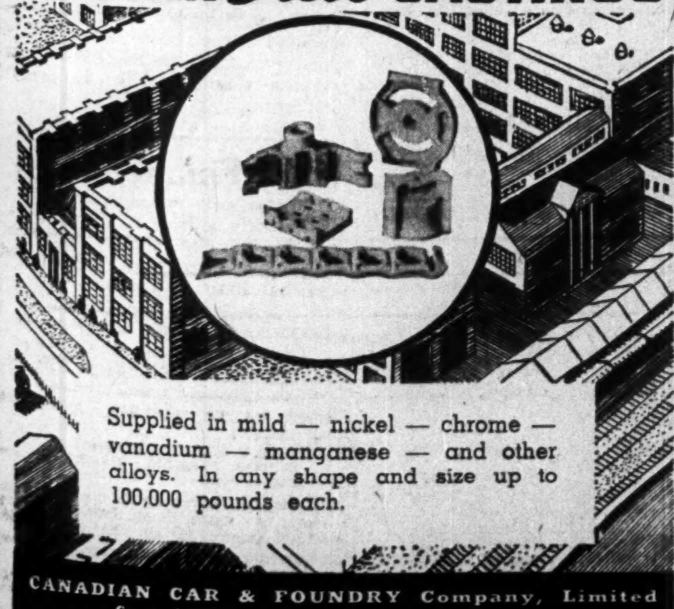
Unemployment insurance is already applicable to sawmill workers and other branches of the lumber industry.

Montreal Port Revenue Highest on Record

Customs and excise tax collections at the port of Montreal during July totalled $17.9 millions, a new all-time high in Canadian records for any port in the Dominion. This contrasts with $15.8 millions collected during June and with $14.2 millions during July, 1940.

The July record marks the first time Montreal port collections have exceeded the $17 million mark and in only one other month has the total exceeded $16 millions—in May this year.

"CANCAR" Steel CASTINGS



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Privy Council's Ruling Favors Public Schools

Share in Ford Motor Taxes Denied Separate School Board

The Privy Council last week ended the hope of the Windsor Separate School Board for a share of the taxes paid by the Ford Motor Co. of Canada. The case had proceeded through the courts for nearly four years, and had been regarded as a potential solution to the financial difficulties of the Windsor Separate School Board.

Last previous judgment in the case, by the Supreme Court of Canada, had been in favor of the Separate Schools, and the Windsor Public School Board appealed the ruling to the Privy Council. The Ford Motor Co. of Canada had agreed to have 18% of its assessments allotted to the Separate Schools. The Privy Council ruled that it is impossible to determine the exact proportion of Roman Catholics among the shareholders of the company and, for this reason, it was impossible to divide the taxes paid by the corporation.

Important Ruling

Defeat of the plan to support the Separate Schools leaves the methods of financing education in Ontario unchanged. Had the decision been the other way, the public school boards throughout Ontario would almost certainly have lost a substantial share of the school revenues they now receive from corporations.

The looked-for improvement in the financial position of the Windsor Separate School Board will apparently have to come from other sources. The Board, which is still in default, has approximately $2 millions of debenture debt outstanding on which there are arrears of interest amounting to approximately $1 million.

Separate school taxes in Windsor have not been sufficient to meet either interest or principal charges. The present levy is high enough to pay about 1% interest. The adverse decision of the Privy Council is expected to hasten a permanent reorganization of the Board's finances.

Nat. Breweries Sales Higher

From Our Own Correspondent

MONTREAL. — Sales of National Breweries Ltd. in the year to date are running above those for last year. This betterment has been reflected in earnings to some extent, The Financial Post understands.

Holding company for a group of large brewing organizations, the company does about 70% of its business in Quebec province. Shipments are also made to Ontario, the United States, the West Indies and other markets abroad.

Offsetting gain in sales has been a sharp increase in material and labor costs. Taxation, always a major charge on the company's earnings, has become increasingly onerous. In 1940, taxation, licenses and duties cost the company $6.1 millions, compared with $4.4 millions in 1939.

Chiefly because of higher taxes, net profit in 1940 fell to $1.5 million, which was the lowest net since 1933.

The company has continued to pay dividends on the common shares of $2 despite a drop in share earnings to $1.80. This disbursement rate has been maintained since 1936. Payment of an amount in excess of earnings has been rendered possible by the strong financial position of the organization. At the end of 1940 surplus of $5.7 millions was shown in the balance sheet, and working capital of $7.2 millions.

Supply Disruptions Minor

Presumably this policy could be continued on the 1940 basis for many years before curtailment would be dictated.

The company has experienced only minor disruption in supplies. All malted barley is grown in Canada, as well as about 75% of all hops. It has been necessary, however, to obtain glass bottles from the United States to meet export demand. Some doubt exists as to whether the needed containers can be obtained as speedily as desired.

B. C. Coal Output Down Slightly

Six Months Figures Show Drop Less Than 2%

Production of coal in British Columbia for the first half of 1941 was 813,532 tons as compared with 828,190 tons in the first half of 1940. The decline was entirely due to Vancouver Island output which dropped some 375,670 tons in the first half of 1940 to 305,544 tons in 1941. Offsetting this was an increase in East Kootenay production from 365,176 tons to 443,282 tons this year.

June coal production in British Columbia was well ahead of a year ago at 140,089 tons compared with 127,784 tons.

The declining production at Vancouver Island Mines continues in June in spite of measures taken to persuade customers to stock up now because of a possible heavier-than-ordinary domestic demand in the fall through restrictions on fuel oil. The chief reason for the decline from a year ago is said to be the lack of cargo ships on Pacific trade routes.

Provincial Transport Picks New Officials

H. J. Curtis, treasurer of Provincial Transport Co., Montreal, has been appointed vice-president and treasurer of the company following the retirement of Henry R. Mallison.

J. R. Collins, assistant general manager, becomes general manager, while R. G. Perry continues as passenger traffic manager and Roch Tremblay, as secretary.

Golf is Really Big Business

Between $10 and $15 Millions Invested in Courses

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

Canada's abundant sports facilities and sizeable sporting goods industry have assumed new importance in the past two years of war. Sports facilities promote and maintain U.S. tourist travel in Canada and help both swell and conserve vital U.S. exchange.

The high rank of golf in this regard is spotlighted this week by the Canadian Open Golf Tournament, being staged Aug. 7, 8 and 9 at the Lambton Golf Club near Toronto. Championship play for the Seagram Golf Cup trophy, and the $1,000 purse of the Royal Canadian Golf Association, has drawn 40 to 50 leading American golfers and a matching number of friends, members of families and other spectators.

Golf Big Attraction

This is but an outstanding current example of the part played by Canadian sporting events in bringing U.S. sport fans here.

Golf authorities estimate there are 700 golf clubs in Canada, with an investment of between $10 and $15 millions in clubhouses, equipment, and courses of various sizes.

They also estimate that a very modest figure of the number of American visitors who play Canadian courses in a year would be at least 25,000 with probably 50,000 nearer the actual figure. At some of the courses near the border and in the main urban and resort areas, players from the U.S. run as many as 100 or more a week. All of them leave very welcome amounts of exchange.

Industry's Job Twofold

Canada's sporting goods industry, especially since the war began, provides most of the golf clubs and other sports equipment for Canada's 250,000 golfers and the unnumbered thousand devotees of other sports.

The increased demand for such organized sports, chiefly for the armed forces, has been accompanied by a decline in sales for what might be termed the "individual sports," such as golf, badminton and tennis. This is largely because some Canadians are dropping golf, or at least the purchase of new clubs.

War Increases Sales

In balance, however, the net effect of war has been to increase sales and production of Canada's 30-odd sporting goods plants. Some 25 of these are in Ontario, with the rest in Quebec, Manitoba and Vancouver. Most of them are small or moderate sized enterprises.

Of the gross capital investment of about $1.9 million in the industry, more than $1 million is spread among more than 25 plants, with 10 rated at less than $5,000 and none above the $50-$100,000 level. For the six plants in the $100-$500,000 category, total investment is only $860,000.

Last year's output is estimated at about $2.2 millions. In addition Canadians bought sports goods made by other industries and imported equipment.

Imports in 1939 amounted to about $750,000. In the past year to 18 months, the restrictions on U.S. imports and the difficulty of getting deliveries from overseas have given Canadian producers a greater share of the market. However, they are finding it difficult to get some materials for production, such as silk for fishing tackle and special steels for golf clubs.

Chief Products

Before the war, production of golf clubs and allied equipment and supplies was the largest single item of output by the sporting goods industry, amounting to $482,300 in 1939. Runner-up was tennis and badminton equipment reported at $406,757. Both these groups of products have lost ground since the war started, but it is not certain whether they have lost top ranking.

The other major classes of output are as follows, listed according to 1939 values of production:

Equipment for:	$
Billiards, bowling, football	288,124
Skiing	252,904
Baseball	181,781
Hockey	170,369
Fishing	141,146

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Another of the now numerous indications of how Britishers are standing up under the blitz. This is a postcard just received in Canada.

Distillers Corp. Builds $300,000 Warehouse

Distillers Corp. Ltd. has awarded general contract to A. F. Byers and Co. for the construction of a $300,000 warehouse addition to the Ville LaSalle plant at Montreal. Work is scheduled to start at once. Plans by Brian R. Perry, consulting engineer, call for a structure seven storeys high. The company is a subsidiary of Distillers Corp.-Seagrams.

Western Grain Committee Ends

Failure to Reach Agreement on Reorganization Cited as Reason

P. S. Bower, chairman of the Bondholders Protective Committee for the Western Grain Co., announces that the committee has decided to dissolve as from July 28. Decision was taken at a meeting of the Winnipeg members of the committee. Four members of the bond committee were from Winnipeg and two from Toronto.

Mr. Bower stated:

"In view of the inability of the committee to negotiate a plan of reorganization between the bondholders and Western Grain Co. and also in view of the reinstitution of interest payments by the company, it was decided to dissolve the bondholders committee as from this date."

The committee was originally formed by a number of institutions holding the Western Grain Co. first mortgage bonds. Last March it was announced that a reorganization plan was nearly ready to be presented to bondholders but it later developed that the opposition made the plan impracticable. In the meantime the company has paid the bond interest originally due July 2, 1937, and earnings are said to be running close to last year's level. This would indicate that bond interest would be covered something over three times before depreciation in the year ended July 31 last.

Beamsville Plant Bought by Viceroy

Adds to Hard Rubber Output — Operations Upon War Orders

Subject to final arrangements, Viceroy Manufacturing Co., Toronto, has purchased the rubber factory at Beamsville, Ont. that was last operated by the Premier Tire & Rubber Co. The plant will commence operations on hard rubber products about Oct. 1.

The additional plant space has been made necessary as a result of the company's production of war materials and follows a $100,000 expansion programme at Toronto. In addition to various lines closely allied with its peacetime production, Viceroy is turning out automatic machinery and other machine products. These are an outgrowth of the machine shop facilities developed to produce molds for rubber products and printing equipment for use with rubber printing plates.

Operations in the current year are substantially above the same months of last year according to company officials. Net earnings in the year ended Feb. 28, 1941 amounted to $250,182 compared with $214,282 the year before.

Blue Ribbon Income Holds At High Level

Sales of subsidiaries of Blue Ribbon Corp. are "exceptionally satisfactory," states C. E. Spooner, vice-president. He adds that "we are having increased worries in connection with supplies of certain imported raw materials."

The statement accompanies the current dividend payment of 62½ cents a share. Mr. Spooner states that the company is continuing to spend a substantial amount in advertising to keep its products before the public.

SUGGESTIONS FOR INVESTMENT

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Avoid jack-rabbit starts.
Avoid useless or non-essential driving.
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Don't race your engine; let it warm up slowly.
Don't strain your engine; change gears.
Keep carburetor cleaned and properly adjusted.
Tune up motor, timing, etc.
Keep spark plugs and valves clean.
Check cooling system; overheating wastes gasoline.
Maintain tires at right pressure.
Lubricate efficiently; worn engines waste gasoline.
Drive in groups to and from work, using cars alternate days.
For golf, picnics and other outings, use one car instead of four.
Take those short shopping trips ON FOOT and carry parcels home.
Walk to and from the movies.
Boat owners, too, can help by reducing speed.
Your regular service station man will gladly explain these and other ways of saving gasoline. Consult him.

You can help keep our mechanized army rolling; our munitions plants functioning; our corvettes at sea and the planes of the Commonwealth Air Training Plan in the air, by cutting your gasoline consumption. This saving is vital; and it becomes increasingly urgent as tanker after tanker is diverted for overseas service.

You can help immediately in many practical ways. First pledge yourself to a 50% saving. Then look after your car . . . keep it in good condition so that you may get more miles out of every gallon of gas you MUST use. Take turns with your neighbours driving to work so that one car does the work of four. Shop on foot. Walk to the movies. Drive only when absolutely necessary. The list shown here gives other hints. Follow it and a 50% saving is easy.

It is also vitally important that you reduce the use of domestic and commercial fuel oil.

REMEMBER: The slower you drive, the more you save!

The Government of the
DOMINION OF CANADA
Acting through:
THE HONOURABLE C. D. HOWE, *Minister of Munitions and Supply*
G. R. COTTRELLE, *Oil Controller for Canada*

Spare and Share your Gasoline for VICTORY!

"Mon! That's a Drive!"

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NORTH
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COURSE!

Perfected Product of Scottish Skill
The supercharged core, expanding internally after manufacture, gives North British Balls that extra length which makes golf easier. A combination process of hand and mechanical winding ensures the perfect sphericity essential for straight flight and true putting.

You owe it to yourself to try Supercharged North British—the imported Scottish ball!

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IMPORTED FROM SCOTLAND
BRITISH
North British Rubber Co.
Limited
284 King St. W. Toronto

THE
LONDON &
LANCASHIRE
INSURANCE C° LTD
ABSOLUTE SECURITY
W. R. HOUGHTON
Manager

CAREFREE
HOLIDAYS
IF YOU ARE
INSURED WITH
THE
GENERAL
ACCIDENT
GROUP
357 BAY ST., TORONTO

NOTICE is hereby given that the Dominion Insurance Department has granted Certificates of Registry Nos. C760 to C764 both inclusive authorizing New York Reciprocal Underwriters, Individual Underwriters, American Exchange Underwriters, Affiliated Underwriters and Metropolitan Inter-Insurers to transact in Canada the business of Personal Property Insurance, in addition to the classes for which they are now already registered.

V. W. GERRISH,
Chief Agent for Canada.

July 21, 1941.

The
WAWANESA
Mutual Insurance Company
Organized in 1896

Assets	$2,894,436.70
Surplus	1,513,855.65
Dominion Gov't Deposit	1,041,353.86

Write for Financial Statement

Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton

2,000 Agents Across Canada

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you
insure...
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Confederation
Life Association

Banking

Public Deposits Drop Reflects War Loan

Monthly Statement of Chartered Banks Shows Hundreds of Millions Transferred From Private to Government Accounts — Borrowing by Investors Boosts Current Loans

A rise of $400 millions in the deposits of the Dominion Government and a drop of $349 millions in public deposits are features of the return of the Canadian chartered banks to the Minister of Finance as at June 30.

The changes in deposits, in the main, reflect the transfer of funds from private to government accounts through the war loan. Dominion Government deposits at the end of June stood at $560 millions, up $408 millions from the end of the previous month and $257 millions from last year.

Fall in Savings Deposits

Of the total decline in public deposits in the banks, $228 millions, or almost two thirds came from the savings accounts, the decline in demand deposits being $120 millions. Savings deposits on June 30 were $141 millions lower than a year ago but demand deposits were $163 millions higher.

Investments of the chartered banks during the month fell $123 millions from the previous month, the drop being mainly in short-term issues probably some of which were maturing. Long-term issues were $48 millions higher. Compared with a year ago, short-terms were lower but long terms were higher.

Investors Borrow

An increase of $159 millions in current loans was due in large part to loans to investors in the war loan to help them meet their commitments. Compared with 1940 current loans were up $255 millions. Expanding business was also a factor. Call loans in Canada were higher for the month and lower for the year.

The Financial Post Credit Index, which is the ratio of current and call loans to demand and savings deposits in Canada, rose sharply over both the previous month and last year.

Use of Bank Credits in Canada
(In Millions of Dollars)

	June 1941	May 1941	Change	June 1940	Change
Loans	1,325.1	1,161.1	+164.0	1,106.1	+219.0
Investments	1,688.4	1,812.0	—123.6	1,583.0	+105.4
Total	3,013.5	2,973.1	+40.4	2,689.1	+324.4
Deposits	2,451.2	2,800.3	—349.1	2,430.0	+21.2
Credit index*	49.9%	37.9%	+12.0%	40.1%	+9.8%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	June 1941	May 1941	Change	June 1940	Change
	$	$	$	$	$
Immediately Available Liquid Assets					
Canadian coin	5,933,938	5,903,195	+30,743	4,496,763	+1,437,175
Bk. of Can. notes	81,874,431	75,463,359	+6,411,072	58,606,414	+23,268,017
Bk. of Can. depos.	200,348,146	239,788,992	—39,440,846	208,526,944	—8,178,798
Bank's cash	288,156,515	321,155,546	—32,999,031	271,630,121	+16,526,394
Other bank's notes	3,700,122	3,025,417	+674,705	3,911,370	—211,248
Gold & sub. coin abd.	3,219,110	2,999,015	+220,095	4,209,926	—990,816
Foreign banks	196,722,738	191,612,674	+5,110,064	191,850,055	+4,872,683
Foreign curr.	30,968,046	29,817,122	+1,150,924	26,482,347	+4,485,699
Gov. sec. short term	598,301,187	767,009,084	—168,707,897	701,558,290	—103,257,103
Do., long term	842,483,994	793,738,897	+48,745,097	611,396,395	+231,087,599
Call loans abroad	44,621,745	41,948,599	+2,673,146	40,057,306	+4,564,439
	2,008,173,457	2,151,306,354	—143,132,897	1,851,095,810	+157,077,647
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	89,274,808	91,367,405	—2,092,597	92,643,953	—3,369,145
Public secs.▲	63,945,078	63,162,583	+782,495	62,605,356	+1,339,722
Other secs.	94,452,476	97,139,927	—2,687,451	114,820,663	—20,368,187
Can. call loans	32,766,256	29,456,579	+3,309,677	39,028,457	—6,262,201
Current loans	1,191,085,437	1,031,765,466	+159,319,971	935,847,848	+255,237,589
Loans abroad	135,960,282	134,335,039	+1,625,243	141,300,424	—5,340,142
Prov. loans	14,743,151	12,154,057	+2,589,094	16,339,906	—1,596,755
Mun. loans	86,494,717	87,676,943	—1,182,226	114,939,801	—28,445,084
	1,708,722,205	1,547,057,999	+161,664,206	1,517,526,408	+191,195,797
Other Assets					
Non-current loans	5,501,168	5,555,092	—53,924	7,947,601	—2,446,433
Real estate	6,813,710	6,835,783	—22,073	7,603,728	—790,018
Mortgages	3,581,478	3,556,019	+15,459	3,938,365	—356,887
Premises	70,331,352	70,559,799	—228,447	71,881,743	—1,550,391
Letters of credit	94,250,398	87,331,030	+6,919,368	64,341,057	+29,909,341
Loans to comp.	11,035,073	11,089,807	—54,734	11,147,299	—112,226
Other assets	1,868,779	2,008,429	—139,650	2,381,079	—512,300
	193,381,958	186,945,959	+6,435,999	169,240,872	+24,141,086
Total	3,910,277,620	3,885,310,312	+24,967,308	3,537,863,090	+372,414,530
Note circ. dep.	4,928,770	4,846,948	+81,822	5,203,160	—274,390
Int. bank bal.	152,720,333	124,371,894	+28,348,439	122,915,500	+29,804,833
Gross	4,067,926,723	4,014,529,154	+53,397,569	3,665,981,750	+401,944,973

LIABILITIES

	June 1941	May 1941	Change	June 1940	Change
To the Public					
Circulation	84,144,726	83,282,285	+862,441	97,286,050	—13,141,324
Dom. Govt.	560,902,477	152,675,171	+408,227,306	202,962,399	+357,940,078
Prov. Govt.	62,631,421	92,011,177	—29,379,756	73,346,649	—10,715,228
Deposits by Public					
Demand dep.	984,330,908	1,105,175,452	—120,844,544	821,224,527	+163,106,381
Savings dep.	1,466,936,129	1,695,182,121	—228,245,992	1,608,863,422	—141,927,293
Total	2,451,267,037	2,800,357,573	—349,090,536	2,430,087,949	+21,179,088
Foreign dep.	449,392,800	434,098,620	+15,294,180	437,375,757	+12,017,043
Due to Banks Abroad, Etc.					
United Kingdom	21,910,715	20,532,749	+1,377,966	19,125,384	+2,785,331
Foreign	28,125,630	30,369,303	—2,243,673	28,761,165	—635,535
Bills payable	7,110	7,110	....	66,318	—59,208
Letters of credit	94,250,398	87,331,030	+6,919,368	64,341,057	+29,909,341
Other liabs.	5,017,008	5,016,315	+693	4,176,810	+840,198
Total pub liabs.	3,757,649,322	3,705,681,333	+51,967,989	3,357,529,538	+400,119,784
Due bet. banks	12,633,191	10,796,656	+1,836,535	10,701,088	+1,932,103
Liability to Shareholders					
Dividends	1,517,381	2,272,430	—755,049	1,446,296	+71,085
Reserve	133,750,000	133,750,000	....	133,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	4,051,049,894	3,998,000,419	+53,049,475	3,648,926,922	+402,122,972

▲Other than Canadian.

Government Man Joins London Life

G. O. McKinney, formerly inspector, Department of Insurance, Ottawa, has joined the London Life Insurance Co. and will be doing special work in the underwriting department.

Upon graduation from the University of Toronto in 1932, Mr. McKinney joined the Department of Insurance and has had a very wide experience in the various branches of the department's activities. He is an Associate of the Actuarial Society of America and of the American Institute of Actuaries.

Foreign Exchange

During the week July 29 to Aug. 4 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Aug. 4

Australia	3.58	S. Africa	4.47
India	.3372	Hong Kong	.2830
N. Zealand	3.61		

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS
MUTUAL INSURANCE COMPANY
SERVICE SAVING SECURITY
C. Smith, Chief Agent Concourse Building, Toronto

DIRECTOR

E. G. Baker has been elected a director of the Bank of Canada. Mr. Baker is president of Moore Corporation, Toronto, and associated companies and is a vice-president of the Canada Life Assurance Co.

Bank of Canada Circulation Up

Business Activity and Soldier's Pay Factors Responsible

An increase of approximately $4 millions in note circulation is shown in the statement of the Bank of Canada for the week ended July 30. This expansion is attributed partly to general activity in business and partly to the increasing number of men in the armed forces who are being paid in cash.

Total deposits with the Bank of Canada were also higher, the increase being in the deposits of the chartered banks and miscellaneous deposits, those of the Dominion Government being slightly lower.

The rise in liabilities was offset on the credit side by an increase in the bank's investments and miscellaneous assets including cheques on other banks not yet cleared.

	July 30 1941	July 25 1941
	$	$
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	403,473,274	399,405,867
Rest fund	3,722,910	3,722,910
Depos.: Dominion	24,912,759	27,873,451
Banks	216,023,339	205,544,855
Other	6,965,511	2,249,917
Total deposits	247,901,609	235,668,223
All other liabs.	11,719,612	6,602,451
Total liabs.	671,817,405	650,399,451
Assets		
In sterling & U S.	539,559	539,559
Subsid. coin	619,786	640,051
Advances	2,500,000	2,750,000
Investments:		
Dom. govt. short	511,654,621	500,239,569
Other Dom. govt.	137,955,646	137,641,625
Total invest.	649,610,267	637,881,194
Premises	1,815,105	1,785,162
All other assets	16,732,688	6,803,485
	671,817,405	650,399,451

Monthly Bank Clearings

	July 31 1941	Change Year Ago	July 24 1941
	$	%	$
Halifax	3,213,995	+14.9	3,648,987
Saint John	1,825,430	+8.1	2,248,076
Moncton	898,234	+29.0	1,037,363
Quebec	20,895,148		24,269,943
Montreal	97,704,345	+9.9	101,676,419
Ottawa	30,258,154	+21.2	30,717,498
Kingston	636,547	+6.5	812,204
Sherbrooke	1,007,380	+1.6	885,639
Peterborough	691,751	+12.3	714,872
Toronto	106,356,841	+33.9	113,287,830
Hamilton	6,123,094	+18.1	7,811,112
Kitchener	1,036,558	—4.2	1,287,713
Brantford	913,092	+22.9	1,048,068
London	2,227,035	+13.1	2,604,902
Chatham	545,507	+21.0	757,818
Windsor	3,296,058	+38.1	3,607,011
Sarnia	321,524	—10.6	476,709
Sudbury	1,125,076	—0.8	938,381
Fort William	1,067,141	+38.0	1,097,624
Winnipeg	49,934,006	+65.5	59,873,846
Brandon	374,067	+1.6	407,650
Moose Jaw	571,154	+27.8	606,754
Saskatoon	1,472,276	+3.6	1,454,791
Prince Albert	444,504	+34.4	414,729
Edmonton	4,588,042	+25.1	4,932,248
Calgary	5,792,944	+22.3	6,774,534
Lethbridge	495,381	+29.7	515,550
Medicine Hat	336,518	+47.1	418,253
N. W'minster	957,072	+38.4	916,388
Vancouver	19,787,867	+18.6	19,787,867
Victoria	1,774,408	+6.4	2,120,453

Life Insurance

More Men in Forces Buy Life Insurance

Survey of American Life Convention Shows Number of Applications in Canada and the United States Almost Double Last Year

Members of the armed forces in Canada and the United States are buying life insurance in much larger numbers than a year ago, according to figures compiled by the American Service Bureau. The figures have been obtained from the hundred odd companies in both countries that are members of the American Life Convention, and include details of 10,000 applications for life insurance received in June.

Increased buying by members of the armed forces is attributed mainly to the desire of many to buy insurance for the post-war period.

All policies issued in Canada, and many of those issued in the United States, contain a clause providing that, in general, when an insured person goes overseas, unless he pays an extra premium, his beneficiary will collect only the premiums paid, plus interest at 3% and any accumulated dividends. This restriction comes off six months after the insured person returns to Canada. In the United States some companies have adopted a war clause somewhat similar to that in Canada, some a modified clause and some have no set policy as yet. As a usual thing, air force personnel going overseas is excluded from coverage even with the payment of an extra premium until six months after his return. In event of death, of course, his beneficiary would get a refund of premiums paid just as in the case of the other services.

Other branches of activity in which increased buying of life insurance was noticeable included machinery and metal workers, transportation and communication and wood workers.

The average policy applied for at a little over $2,100 was almost the same as a year ago. One application in every 10 was for $5,000 or over. Slightly over one third of the 10,000 applications were for $2,000 or more.

	No. of Apps. June 1941	No. of Apps. June 1940	Average Policy 1941	Average Policy 1940	New Buyers 1941	New Buyers 1940
			$	$		
Agriculture	1,061	1,275	1,769	1,563	805	986
Auto sales service	561	550	2,273	2,141	266	258
Banking	74	70	2,182	2,457	24	10
Brokers (commodity)	30	44	3,733	8,886	9	12
Insurance	171	197	4,684	3,825	41	49
Barbers & beauty parlors	58	75	1,250	1,407	30	46
Laundries, etc.	68	73	2,110	1,027	29	33
Restaurants	138	195	1,913	1,703	84	110
Civic & govt. employees	76	112	2,461	2,004	30	59
Firemen and police	28	59	2,411	2,059	9	24
Defense forces	503	261	1,582	1,789	358	162
Social workers	70	98	1,814	1,755	46	74
Carpenters	89	86	1,483	1,523	63	58
Wood products workers	123	87	1,809	2,965	71	46
Machinery and metals	710	419	2,294	2,297	256	161
Printing employees	139	122	3,237	1,799	43	48
Oil production & refin.	126	135	2,496	3,581	54	54
Mining, etc.	106	80	1,825	1,550	60	49
Children, under 7	502	536	1,134	1,110	..	..
Housewives	639	548	2,471	2,648	477	405
Accountants	45	40	2,122	3,238	21	18
Advertising, etc.	69	57	2,906	5,763	29	17
Clergy	18	20	3,250	2,525	8	12
Nurses	74	90	1,696	1,489	47	47
Doctors	64	99	6,391	6,732	13	20
Teachers	218	243	2,032	2,212	116	118
Automotive transport	190	179	2,066	1,774	113	95
Railway transport	142	128	1,768	1,898	62	40
Wholesale & retail trade	1,506	1,692	2,481	2,419	697	797

Weekly Bank Clearings

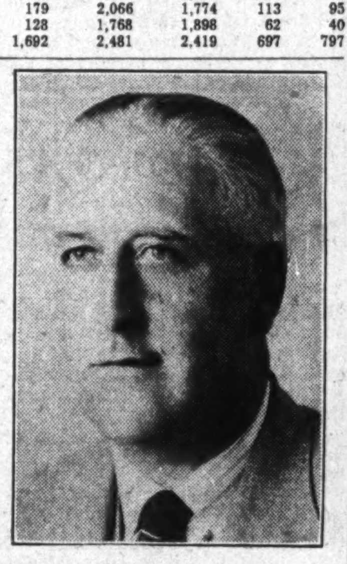
	1940 July	1941 July
	$	$
Halifax	13,718,258	15,632,772
Saint John	9,297,037	9,309,557
Moncton	4,108,588	4,290,994
Qubeec	20,895,148	24,269,943
Montreal	412,785,119	482,028,002
Ottawa	122,172,536	193,421,638
Kingston	3,071,210	3,399,551
Sherbrooke	3,837,535	4,532,267
Peterborough	2,816,884	3,179,929
Toronto	411,970,126	509,727,656
Hamilton	25,824,193	31,327,862
Kitchener	4,841,174	5,336,617
Brantford	4,146,763	4,834,915
London	11,096,052	12,298,848
Chatham	2,581,583	3,150,091
Windsor	11,401,854	15,699,657
Sarnia	1,964,177	2,124,967
Sudbury	4,660,332	....
Fort William	3,951,880	4,953,567
Winnipeg	194,879,521	270,614,342
Brandon	1,634,157	1,872,646
Moose Jaw	2,308,588	2,971,010
Saskatoon	5,871,683	6,628,964
Prince Albert	1,456,306	1,913,175
Edmonton	17,467,712	22,894,144
Calgary	21,207,404	27,982,754
Lethbridge	1,908,711	2,313,015
Medicine Hat	964,597	1,613,588
New Westminster	3,169,237	3,961,246
Vancouver	76,771,582	89,243,812
Victoria	7,974,012	8,628,964

Obituaries

Cecil S. Wainwright, former vice-president of the British America and Western Assurance companies and their subsidiaries, at Toronto.

S. H. Pepler, formerly of Proctor and Refern, construction engineers, Toronto, and later with the Dominion Government, aged 44, at Toronto.

Montreal Metropolitan Commission reports total tax arrears of municipalities under its jurisdiction of $2.9 millions. Dating back to 1935 the arrears in each year are: 1935, $4,577; 1936, $8,158; 1937, $17,815; 1938, $49,717; 1939 $270,935; 1940, $783,539, and 1941, $1.8 million.



MANAGER

H. M. Morrison has been appointed manager of the mortgage investments department of the Great-West Life Assurance Co., succeeding the late F. J. Freer. Mr. Morrison was previously supervisor of mortgages of the company. He will have charge of all the mortgage investments of the Great-West.

Insurance Problems

Commercial Life

Please give me a report on the Commercial Life Assurance Co. of Canada.

The Commercial Life of Canada was incorporated in 1911 under the name of the Alberta-Saskatchewan Life Insurance Co. It began business in 1913 and in 1919, the name was changed to the present style. In 1939 it moved its head office from Edmonton to Toronto.

At the end of 1940 it had business in force amounting to $10.4 millions, more than $576,000 higher than at the close of the previous year. New insurance written in 1940 at $1.8 millions was almost double that of the previous year. Total assets at Dec. 31, amounted to $2.7 millions. The company operates under a Dominion license and as such its operations are subject to the investigation and the regulation of the Dominion Superintendent of Insurance.

Banking Service
1817 - 1941
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £143 millions.
Over 870 branches in Australia, New Zealand & Pacific Islands.
London Offices at
29 Threadneedle St., E.C.2.
and at 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout Canada.

Why you should act your age

AT ANY AGE, it is wise to know your safe limits of work and play. As you pass forty, however, it becomes increasingly important to understand and respect those limits.

After forty, diseases of the heart and circulatory system begin to take their heavy toll. It must be remembered that heart muscles and blood vessels grow older just as does your external appearance. As they do, coronary heart disease and circulatory diseases, particularly, are more liable to develop.

So it is the better part of wisdom to act your age—to adjust your habits, modifying your activities to match your capacities—even though you don't *feel* the need of doing so.

For instance, after forty it is well to avoid sudden indulgence in unusual or over-long exercise—don't be a "week-end athlete." Ease up on your more strenuous activities, and get plenty of rest. Avoid overweight, and take more seriously the annual physical examination that so often detects the first stage of trouble before serious symptoms appear. Above all—*follow your doctor's advice.*

This doesn't mean that you must *worry* about your heart, or entirely abandon your usual recreations. Sensible consideration for your heart, on the contrary, should bring *freedom* from worry, and the likelihood of enjoying *added* years of fun and usefulness.

Of course, warning symptoms of possible heart trouble, such as fainting, shortness of breath, sense of oppression or pain near the heart, call for the immediate attention of your physician. He may make use of such aids to accurate diagnosis as the X-ray, the fluoroscope, and the electrocardiograph. He knows best how to guide you in safely and sensibly acting your age.

For valuable information concerning the hearts of young and old, send for Metropolitan's free booklet, "Protecting Your Heart."

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker
CHAIRMAN OF THE BOARD
Leroy A. Lincoln
PRESIDENT
CANADIAN HEAD OFFICE
OTTAWA

Metropolitan Life Insurance Company
Canadian Head Office, Ottawa
Please send me a copy of your booklet, No. 8-F-41 "Protecting your Heart."
Name____
Street____
City____ Prov.____

The Independent Order of Foresters

For over sixty years the I.O.F. has furnished broad plans of insurance protection and provided its membership with valuable fraternal benefits.

The Society issues Ordinary Life, Twenty Payment Life, Twenty Year Endowment Certificates and a Modified Endowment maturing at age sixty-five. All Certificates provide cash, loan and paid-up values and generous benefits in case of total and permanent disability.

ASSETS OVER $44,000,000.00
FRANK E. HAND, Supreme Chief Ranger
Head Office: - - Toronto, Canada

Position of Chartered Banks of Canada as of June 30, 1941, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere▲	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	19,740,740	162,513,966	9,835,771	....	256,561,303	379,287,702	99,965,787	2,497,056	8,524,239	8,425,450	....
Nova Scotia	7,308,456	47,481,102	710,541	....	64,812,333	134,904,444	47,022,113	2,950,643	1,631,121	1,364,931	....
Toronto	2,885,989	31,912,122	1,515,456	....	52,659,462	77,996,644	1,123,832	248,612	380,224	488,819	....
Provinciale	2,273,795	4,868,920	347,157	....	9,833,274	36,025,475	10,057	929	4,073	17,674	....
Commerce	16,316,720	104,908,910	21,478,009	....	189,084,450	285,027,217	69,950,247	2,086,340	3,356,237	7,074,993	....
Royal	23,071,733	121,833,149	11,651,408	....	284,693,034	302,872,207	219,968,281	21,852	3,209,951	8,039,008	7,110
Dominion	3,961,686	31,468,831	756,033	....	39,162,534	69,990,313	7,466,370	1,621,814	364,205	354,129	....
Nationale	3,884,517	15,384,602	2,487,884	....	34,295,677	91,601,848	439,545	1,375,907	174,361	628,499	....
Imperial	4,208,960	34,145,980	13,846,080	....	48,417,426	82,986,210	511,337	1,785,444	1,320,887	686,136	....
Barclay's (Canada)	492,130	6,384,895	3,082	....	4,811,415	6,244,069	2,935,231	44,594	2,945,417	1,045,991	....
Total	84,144,726	560,902,477	62,631,421	....	984,330,908	1,466,936,129	449,392,800	12,633,191	21,910,715	28,125,630	7,110

NAME OF BANK	Letters of Credit outstanding	▲Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are Partners	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Cir.
	$	$	$	$	$	$	$	$	%	$	$	$
Montreal	18,241,710	4,248,618	73,645	39,000,000	36,000,000	1,044,915,991	50,000,000	36,000,000	8	571,263	84,479,706	19,740,7
Nova Scotia	14,464,721	143,99[illegible]	363,067	24,000,000	12,000,000	359,157,470	15,000,000	12,000,000	12	2,768,499	24,904,000	7,433,0
Toronto	2,201,434	....	8,475	9,000,000	6,000,000	186,421,074	10,000,000	6,000,000	10	509,119	26,329,453	2,967,1
Provinciale	70,935	3,047	5,791	1,000,000	4,000,000	58,461,133	5,000,000	4,000,000	6	155,883	4,786,620	2,308,6
Commerce	22,162,757	....	630,237	20,000,000	30,000,000	772,076,121	50,000,000	30,000,000	8	1,096,828	58,864,062	16,183,1
Royal	29,368,267	60,524	76,120	20,000,000	35,000,000	1,059,872,650	50,000,000	35,000,000	8	1,437,778	71,812,413	23,071,7
Dominion	2,978,587	513,443	177,526	7,000,000	7,000,000	172,815,476	10,000,000	7,000,000	10	665,136	14,562,721	3,980,5
Nationale	545,093	47,338	6,194	5,000,000	7,000,000	162,871,469	10,000,000	7,000,000	8	198,518	14,980,169	3,884,5
Imperial	3,078,296	....	176,326	8,000,000	7,000,000	206,163,086	10,000,000	7,000,000	10	587,587	15,298,421	4,234,0
Barclay's (Canada)	1,138,598	....	....	750,000	1,500,000	28,295,424	1,500,000	1,500,000	....	4,635	1,779,636	514,1
Total	94,250,398	5,016,962	1,517,381	133,750,000	145,500,000	4,051,049,894	211,500,000	145,500,000	....	7,995,246	317,797,201	84,517,9

▲Of this amount, $52,580,183 represents deposits in Canada in currencies other than Canadian. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,322,993	92,624	21,313,488	61,708,456	1,019,595	627,496	37,656,686	2,[illegible]44	5,962,695	49,747,207	205,389,800	216,011,567	18,207,992
Nova Scotia	390,050	993,977	6,318,625	15,771,870	285,725	5,601,316	11,917,631	....	9,624,994	14,874,188	35,792,694	76,148,731	11,05[illegible],793
Toronto	26[illegible],452	....	3,939,965	18,122,327	140,600	103,471	8,581,152	....	747,324	3,154,561	28,108,426	44,049,041	2,608,245
Provinciale	286,549	....	2,134,947	2,100,901	128,495	56,812	2,148,955	3,472	....	1,081,143	2,582,552	11,600,546	13,233,932
Commerce†	916,248	175,097	12,610,069	35,798,867	492,895	1,453,970	[illegible]6,650,059	119	5,716,898	19,973,304	88,525,190	166,607,556	9,817,[illegible]23
Royal	1,469,287	1,957,232	21,157,037	45,375,057	851,457	22,702,970	38,632,141	12,112	16,604,958	54,415,50[illegible]	165,419,248	207,309,232	7,228,543
Dominion	279,934	180	2,911,911	10,910,920	269,990	182,721	8,407,187	543	2,420,091	4,551,609	17,023,780	29,920,860	1,787,535
Nationale	634,176	....	6,072,162	3,157,458	240,110	110,328	6,975,611	892,453	11,596	1,403,552	17,932,801	34,709,772	18,001,324
Imperial	363,755	....	5,327,542	5,470,261	267,100	126,268	8,612,713	648,308	286,148	[illegible],557,685	32,834,023	47,706,121	7,329,621
Barclay's (Can.)	2,604	....	88,685	1,932,029	4,155	2,694	79[illegible],260	777,787	660,856	2,928,429	4,692,673	8,420,568	1,000
Total	5,933,938	3,219,110	81,874,431	200,348,146	3,700,122	30,968,046	150,383,395	2,336,938	42,035,560	154,687,178	598,301,187	842,483,994	89,274,808

NAME OF BANK	Public sec. other than Can.	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets▲
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	24,933,967	25,213,873	3,095,787	14,309,204	260,064,743	19,250,376	1,787,790	33,664,046	977,155	454,544	448,910	13,900,000	1,075,362	1,777,679	1,047,257,9
Nova Scotia	1,612,036	10,168,887	2,411,513	163,690	113,840,814	15,523,323	827,892	3,211,447	404,907	....	85,682	5,951,442	455,753	2,514,513	360,424,2
Toronto	....	3,600,915	1,154,760	....	66,351,443	....	....	3,266,575	63,091	....	9,370	3,231,413	190,209	2,514,513	189,892,7
Provinciale	....	1,472,215	2,817,894	....	13,293,012	....	6,619	2,633,093	77,509	481,024	282,576	2,078,796	145,207	97,987	58,817,1
Commerce†	29,114,035	15,988,146	7,908,861	13,712,570	253,767,617	17,276,472	9,622,357	13,058,317	1,550,445	2,259,615	1,063,531	14,154,101	872,381	4,396,720	775,654,9
Royal	8,052,867	31,718,235	7,074,040	15,482,904	262,424,382	82,153,674	1,133,107	18,600,767	1,791,486	1,965,705	672,268	14,479,871	1,380,067	3,638,377	1,063,070,7
Dominion	222,500	1,772,603	1,542,23[illegible]	953,377	78,776,690	1,756,437	636,451	234,450	187,[illegible]09	26,976	45,604	5,502,248	266,500	204,637	173,773,7
Nationale	9,673	4,146,497	3,668,330	....	48,799,422	....	217,678	8,022,720	184,041	1,575,775	648,015	1,885,518	259,320	215,614	163,319,0
Imperial	....	371,105	2,918,214	....	78,534,587	....	511,257	2,803,302	259,[illegible]35	48,071	325,522	5,697,963	263,415	58,209	207,299,0
Barclay's (Can.)	....	....	174,625	....	6,223,727	....	....	....	5,790	....	....	450,000	20,556	....	29,317,0
Total	63,945,078	94,452,476	32,766,256	44,621,745	1,191,085,437	135,960,282	14,743,151	86,494,717	5,501,168	6,813,710	3,581,478	70,331,352	4,928,770	12,963,736	4,067,926,72

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

▲Total assets include $94,250,398 letters of credit outstanding as shown in liabilities.

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Canada's Newest Front Line of Defense

How Ready is Canada to Face New War Threats on Her Pacific Coast?

By CHARLES L. SHAW

VANCOUVER—Japan's new adventuring in the Pacific as an ally of Germany threatens to give Canada:

(1) a new and front-line defense problem and,

(2) a new and likely disagreeable internal defense problem because of the sizeable Japanese population.

The events of the last few weeks have turned Canadian minds to the west coast as a defensive frontier and as a possible base for military and naval operations. We have been accustomed to look eastward to Europe and Africa for the significant developments of this war. Now it is time to look westward.

If Soviet Russia were humbled by the Nazi armies fortified enemy territory would then be within a few miles of Alaska, which has become almost *overnight* a powerful factor in the *common defense* of Canada and the United States *in the west*.

Raids Not Unlikely

If Japan, as a sequel or accompanying move to Germany's advance in Russia should continue to defy the western powers all-out hostilities might very easily be extended to the Pacific, involving invasion threats and raids against Canada's west coast.

Certainly the rapidly changing political, military and economic situation in the Orient justifies a thorough-going appraisal of the part Canada is equipped to play in this probable war zone of tomorrow.

Clear it is that Japan is tied tight to the Nazi cause and her new cabinet is militaristic. Her internal system has finally been transformed into a strictly totalitarian, Nazi-Fascist system. The system of free enterprise has been stamped out. All vestiges of individual freedom have disappeared. Government decree controls every phase of business. Weakened though she is by the four-year war in China, Japan is patently devoted to further adventures in conquest.

Japs Betting on the Nazis

Japan is playing her traditional role of taking the most advantage of other nations' preoccupation, and her military and governmental leaders, impressed with the Nazi conquest of continental Europe, are betting on a German victory. Japan likes to be on the winning side.

Such a policy richly rewarded the Japanese in the last war, when they played along with the Allies and without sharing the risk of open hostiliies with the enemy grabbed off the trade routes of the warring nations, too busy with their fighting to maintain peaceful shipping.

The last war brought swift prosperity to Japanese shipyards and other industries and for a while Japan clung to territory she seized from Russia on the Asiatic mainland.

Japan knows that, even though Hitler cannot be trusted, he may at least be persuaded to permit her to continue her policy of ruthless conquest in the East, whereas she is by now convinced that such expansion will be resisted by Britain and the United States.

May Mean National Hara-kiri

A new adventure may mean national hara-kiri. But Japan can look to many instances in recent years where a policy of appeasement has allowed Japan repeatedly to gain easy successes.

Both Canada and the United States have been looking to their Pacific defenses for years—in some respects with more attention than to those on the Atlantic.

For some years, too, the two countries have been planning their strategy in concert.

The United States has strengthened her military, naval and air establishments at every vital point along her coastline. The Pearl Harbor naval base on the Hawaiian Islands, spearhead of U. S. naval action in the Pacific, has been developed on a scale comparable with Singapore. Over $90 millions has already been appropriated for far-reaching improvement of defense facilities in Alaska.

Vast Betterment Since War

Canada's contribution to preparedness on the west coast has been on a smaller scale financially, but rapid progress has been made in building up protection at vital points during the past three years and today Canada's naval and military strength on the Pacific is immeasurably greater than when war was declared.

Revelation of Canada's west coast programme in detail is subject to censorship, but it is common knowledge—at least in this province—that a chain of well-equipped air bases has been established where none existed less than two years ago—on the Queen Charlotte Islands; near Prince Rupert, at several points on Vancouver Island and in the Fraser River area, with existing bases near Vancouver and Victoria greatly expanded and improved.

Big guns have been placed at strategic locations along the British Columbia coast, especially in the regions guarding the approach to the vital waters between Vancouver Island and the lower mainland.

While Prince Rupert is an important centre, the western terminus of the Canadian National's northern route to the coast and of growing significance in view of Alaska's defense works, most of the population, industry and wealth of British Columbia and the province's major seaports are situated in an area accessible only by the long arms of the sea that stretch around Vancouver Island—by Johnston Straits in the north and by the Straits of Juan de Fuca and the Straits of Georgia at the south.

Nature Proves Very Helpful

Nature has thus afforded British Columbia a striking advantage in plans for defense, because protection of the larger coast cities—Vancouver, Victoria, New Westminster and Nanaimo—can be attained with relative ease simply by blocking the entrance to the two straits by guns, mines and planes, and this is a vital feature of west coast defense strategy. North of Vancouver Island along the fjord-like, rugged shoreline to the Alaska panhandle, natural conditions again are in favor of defensive action because, except for a few places where rivers enter the Pacific, the terrain is mountainous, heavily timbered and almost impenetrable except at costly sacrifice of time.

The only danger spot in that long stretch of coastline is Prince Rupert, for whose protection elaborate measures have already been taken by naval and aviation forces. The rocky, timbered coastline of Vancouver Island's west coast has also assisted to lessen the vulnerability of that section, all of which would be within a few hours' flying distance from the main Pacific coast air bases near Vancouver and Victoria.

Another glance at the map will show how essential a role Alaska plays in the west coast defense scheme, especially in view of the new turn of events on the Russo-German front. The eastern extremity of Siberia is separated from the most westerly tip of Alaska by a few miles of Bering Strait. Big Diomede Island, lying in the area, has already been fortified by the Soviets. Little Diomede, within gunshot of the larger isle, is Alaskan property, a fact which in itself indicates the proximity of Russian and American influence. Then there is the chain of Aleutian islands dangling like a pendant across the throat of Bering Sea from Alaska towards Siberia's Kamchatka peninsula, which in turn is not far distant from the northern reaches of Japan's island possessions.

The United States is spending $90 millions on defense of Alaska, a good deal of this outlay going into establishment of scattered air bases which are already linked with airways across Canadian territory—in Alberta, British Columbia and the Yukon.

On Attu, one of the many islands of the Aleutian group, excavators are now laying the foundation for a base that may eventually house hundreds of planes, for Attu will be Aslaska's most outlying outpost and possibly the first point of contact in a theoretical invasion from the Far East.

One of the Most Remarkable

There is Kodiak, once famous only as the home of the world's greatest grizzlies, but now becoming known as one of the most remarkable of all the northern air bases, with a growing military population. Then there is Fairbanks, destined to become the biggest base of all and the terminus of the projected Alaska Highway through British Columbia to the United States. Already considerable headway has been made in establishing a great underground establishment free of midwinter snow and cold, capable of effective military service in all weathers. Anchorage is the naval base, and here more than 20,000 men are reported engaged in defense works—more than five times the town's pre-war population. Finally, there is Sitka, commanding the Alaska "panhandle," which dips down the coast to a point barely fifty miles from Prince Rupert.

All these Alaska points are spearheads for military or naval action in the north, and if invasion is attempted by hostile powers in Asia they, in combination with Honolulu, will be as important factors in the joint defense of the west coast as anything Canada may establish in her own territorial area.

How Canada is co-operating in the defense of Alaska while at the same time building her own security is shown by the establishment of air bases in Alberta, British Columbia and the Yukon to provide stepping stones for bombing and fighter planes between the United States and the north country.

The plan involves the building and equipment of eight bases altogether, some of which were partly in service before the war emphasized the need for more adequate preparation, while others had to be created in a barren wilderness hundreds of miles from railhead. The whole project is estimated to cost some $9 millions, and it is expected that all bases will be completed before the first snows of winter fall. Already, the route is being used by American planes, although several of the airports are still a long way from completion. When the chain is in full operation planes will be able to fly across Canadian territory to Alaska in all weather, assured of an adequate number of bases for re-fueling, equipped with wireless beam facilities and lighting.

Great Engineering Feat

There are two approaches to this air base system from the south, one being from Edmonton, which will serve as contact with Chicago, Minneapolis and other eastern points; the other at Vancouver, which will be a stopping place for planes from California, Oregon and Washington. The two branches converge at Fort St. John in the Peace River country and then head in a northwesterly direction to Fort Nelson, which until a few months ago was little more than a fur trader's post; to Watson Lake, close to the boundary between British Columbia and the Yukon, then to Whitehorse in the Yukon and finally to Fairbanks in Alaska.

The building of these bases has called upon the resourcefulness of some of western Canada's most skillful engineers, who were obliged in most cases to follow an uncharted course. In the establishment of the airport at Fort Nelson, for instance, dog sleds were sent in last midwinter over the snow, breaking trail for tractor trains carrying supplies and equipment. Barges and boats were built in Vancouver this spring to be transported in knock-down form to Telegraph Creek, far north on the British Columbia coast, whence they were shipped overland and by river and lake across the Cassiar and Dease country to carry freight for other bases by the northern waterways.

Still Talk About Highway

Much farther from reality, but still a live prospect now that the emphasis is on defense, is the Alaska Highway. This has been talked about for years. Before the war the road was advocated as a lure for tourists and as a means to encourage settlement in sections of British Columbia so far neglected; but progressive politicians in Alaska, the state of Washington and in British Columbia were quick to see possible military advantage in such a highway in the event of war.

For the past three years the defense angle has been stressed in all discussions of the Alaska highway, and it is realized that no other motive would at this time be sufficient justification for the estimated cost of $25 millions. When and if the road is built the United States will probably defray most of the cost, because obviously the United States would benefit most from the road as a defensive measure, although Alaskan security, as we have noted before, also means greater protection for the Canadian west coast.

Becomes Election Issue

Premier T. D. Pattullo has been the most outspoken champion of the Alaska highway and he has conferred with President Roosevelt about it at Hyde Park more than once. In his recent election manifesto Mr. Pattullo emphasized the importance of the highway and expressed the hope that its construction would be sanctioned during the lifetime of his administration, but it is likely that military and not political considerations will dictate the final decision.

Meantime there is conflict between the American and the Canadian sections of the International Joint Commission dealing with the subject regarding a choice of route. The Canadian section has recommended that the road be built north from Prince George or Vanderhoof on the line of the Canadian National Railway's northern line. It would follow the Findlay River along the Rocky Mountain trench, through Dawson. An alternate road would run north from Vanderhoof through Fort St. James, where Consolidated Mining & Smelting Co. has converted a fur trade outpost into a thriving mercury-mining town; then past Stewart Lake and Atlin to Whitehorse in the Yukon territory, and on to Fairbanks, Alaska.

The Americans would have the road located as far west as possible, preferably from Vanderhoof north to Takla Lake, through the Atlin country to Carcross and then on to Whitehorse and Alaska. They are looking at the situation purely from the standpoint of Alaskan defense with a view to making the road a means of "gitting thar fustest with the mostest" if transport of troops and supplies to the northland is required by some sudden emergency.

The Americans would like to see the highway built so that comparatively short feeder lines could be constructed west to the "panhandle" territory, and they apparently discount the argument of the Canadian section that the more easterly route would make greater use of roads already built, serve areas already settled and avoid the region of greatest snowfall.

Not much time is likely to be lost in mere argument over the route of the proposed highway, but there are still powerful interests that need to be convinced of the necessity of such a road at all. About the only definite thing that can be said about the proposal now is that war, and particularly aggression of the Axis in Russia and in the Orient, has given the issue new prominence and vitality. A decision may be expected within a very short time.

Not New Consideration

War on the Pacific, with Japan as the hypothetical enemy, has long been visualized along the west coast of Canada and the United States.

The Japanese problem in various guises is an old story with British Columbia and it goes back to the days of "The Yellow Peril," an expression coined incidentally by the late Kaiser Wilhelm of Germany. Thirty years ago, California was greatly alarmed over the immigration of Japanese and their "peaceful penetration" and in the subsequent years most of the western states have raised the bars against Japanese. The Japanese population in the western states may be regarded as virtually static.

Jap Population Has Grown

In British Columbia, however, there are far more Japanese than there were a decade ago and, while immigration of Japanese has been severely restricted in recent years, the Japanese birth rate in B.C. is still the highest among all races by a wide margin. It is estimated that there are 25,000 Japanese in British Columbia today, which is a far greater proportion than California ever had in its days of greatest alarm over the Asiatic "invasion."

The Japanese first came to British Columbia in the early '90's to share in the rich bounty of the Fraser River sockeye salmon harvest. Many of them were lavishly rewarded, and there is a prosperous village in Japan that owes its paved streets and its other public improvements to the liberal earnings of its adventurous sons who went to the British Columbia fisheries to make their fortune and who generously remembered their homeland.

The Japanese in British Columbia scattered up the valley of the Fraser and went in for fruit farming on a large scale. They established colonies in the fertile Okanagan orchard country and launched retail and other businesses in the larger towns. So rapid has been their commercial expansion in recent years in Vancouver that members of the city council have often attempted restrictive measures. Some years ago the Canadian Government, in response to protests by ex-service men seeking a living in fishing, curtailed the number of fisheries licenses issued to Japanese, but the sons of Nippon are still an important factor in the fishing industry.

More aggressive politically than the Chinese, who still outnumber them in British Columbia, although the rate of increase is lower, the Japanese have tried to win the electoral franchise in the province, and in 1936 went so far as to send a delegation of Japanese university students to Ottawa to fight the case before the House of Commons. Ottawa decided that it was an issue for B. C. to deal with, and B. C. reaffirmed its opposition to giving Orientals the vote.

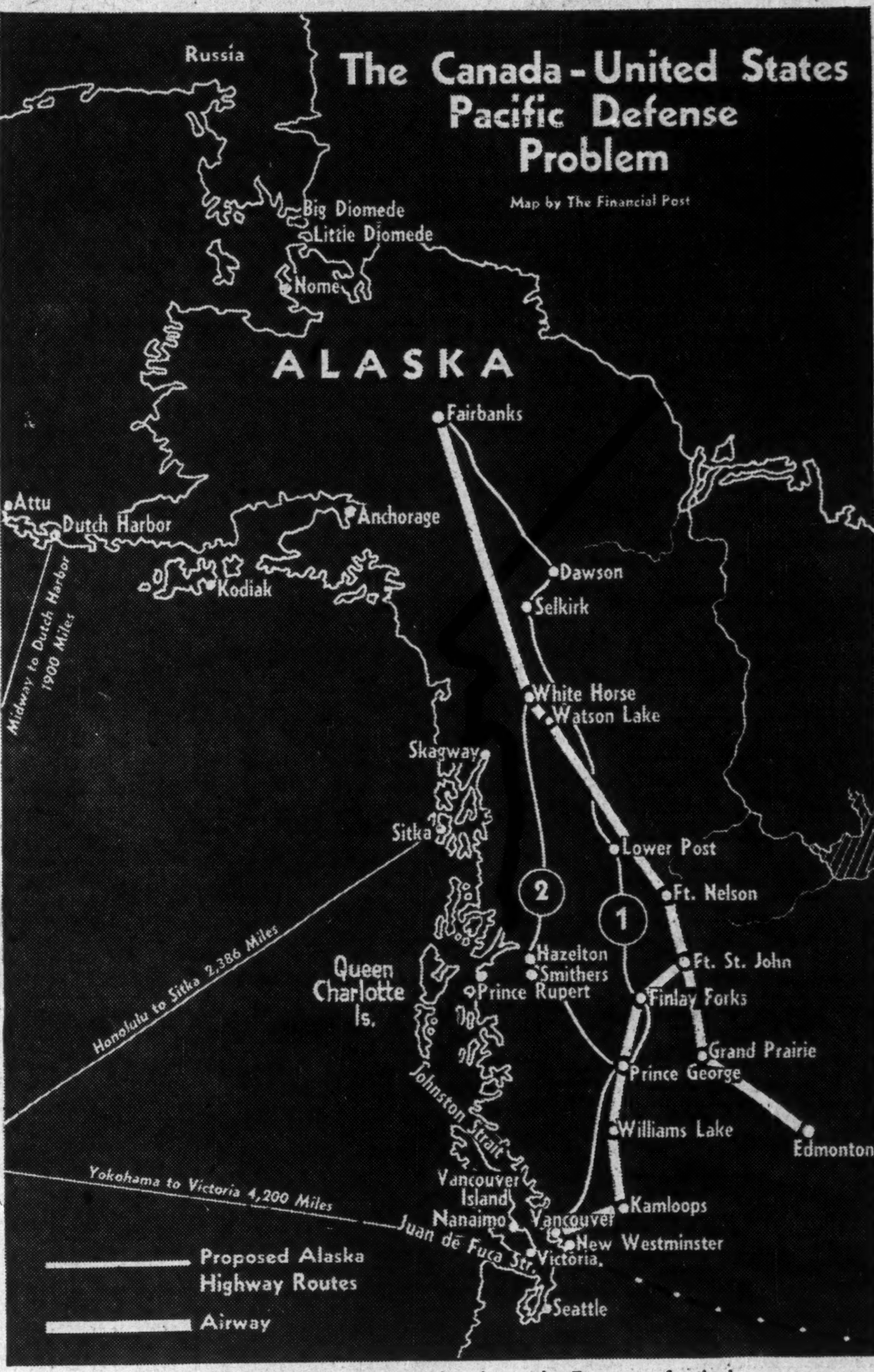
Until Canadian authorities objected, most Japanese children in B. C. attended Japanese schools as well as the regular public schools, and at the former only the Japanese language was spoken and textbooks designed to maintain the children's allegiance to the land of their parents were used. These text books were ordered revised this spring in conformity with the province's educational standards. References to Japanese militarism were toned down.

Precautions Have Been Taken

There has often been speculation regarding the probable effect on the Japanese population in British Columbia if Britain and Japan should go to war, and certain obvious precautions have been taken by the Canadian Government. All Japanese have been subject to special registration for one thing.

The prevailing view is that an overwhelming majority of the Japanese who are Canadians by birth or naturalization will remain loyal to this country, as they have frequently pledged themselves to be. In the last war scores of Japanese enlisted for overseas service with the Canadian troops, but in this war none have been enrolled in spite of a few applications. Japanese have contributed to various patriotic appeals for funds and other aid and subscribed to the war loans generously.

Four years is the longest any nation has waged modern war. Japan has done it in China with staggering losses and with exorbitant strain on her weak, very vulnerable economy. But Japan now seems ready to try a new adventure.



This map shows the places mentioned in the article. Two routes for the long-mooted Alaska highway are shown. Of greater immediate importance is the air line for which giant air bases are now being pushed.

Do You Need More Income? 5 to 8% is Available

Many Long-term Dividend Papers Offer Unusually High Returns

By ARTHUR D. ELLWOOD
Investment Editor, The Financial Post

There are many arguments why common and preferred stocks are attractive. They may be bought for capital appreciation or for income; to protect against inflation or against deflation under appropriate circumstances.

Of these arguments, and many others that could be advanced, one that has stood most of the tests that can be applied is the income that dividends on stocks give their holders.

Income is as necessary as ever today; more than ever before when one considers the tremendous slices that taxes and higher living costs are absorbing. No one can quarrel with the purchase of Dominion bonds at times of extreme need as at present. But common sense cautions against forgetting about stocks. Equity capital is the mainstay of industry. It builds the plants and finances the inventories. A wholesale shift from stocks to bonds, or vice versa, is both difficult and dangerous.

For many months high grade bonds have been yielding little more than 3% and the current trend is for even this small return to be further reduced. During much of this same period the yield on stocks has been rising. As the accompanying chart illustrates, the spread between average return on highest grade bonds and on common stocks is steadily growing wider. It is not too much to expect that this gap will narrow at some unspecified date in the future.

Investors, at times when the patriotic appeal is not the dominant one as at present, are accustomed to weigh the relative safety of high grade bonds against the low income that they return. On the other side they place the greater risk for the average stock with its consequently higher income return. When the safety factor is strongest, bonds get the call; but when this trend has gone too far it has always brought a reversal and a return to equity investments.

This article, however, is not intended to be a discussion of the relative merits of stock and bonds as investments. It is intended instead to draw attention of investors to the current position of stocks from this one standpoint of yield. Admittedly, this is not the only factor to consider in determining an investment policy. Perhaps it is not the most important one.

Offsetting 3% on Bonds

But for investors who find the 3% return on Dominion bonds pinching too hard, there is logic in a turn toward the current high yield obtainable from stocks.

In the last issue of The Financial Post there were listed 201 stocks traded on the Montreal or Toronto Stock Exchanges, which yielded 5% or more and only 36 that yielded less than 5%. There were 19 stocks that yielded 10% or more. This division according to yield is summarized as follows:

36 Stocks Yielded Less Than 5%
201 Yielded 5% or More
147 Yielded 6% or More
78 Yielded 7% or More
51 Yielded 8% or More
19 Yielded 10% or More

Too high a yield on a stock or bond is a sign that the risk attached to an investment in this particular security is large. It indicates doubt as to the ability of the company to continue to pay its present dividend or for the debtor to meet coming interest coupons. This danger signal does not tell what is the matter; it merely hints strongly that something is wrong.

Yield on an investment in this case may be defined as the percentage return which the established rate of dividend would give if the stock were purchased at current price. It has no relation to par value unless the current price happens also to be the same as the par value. Thus a 5% preferred stock would give a yield of 5% if its current price was $100 a share; but if it could be bought for $50 a share, the yield would be 10%. A stock paying $4 a share in dividends and selling for $40 a share would give a yield of 10%. The majority of stocks—certainly of common stocks—have no stated par value to complicate this perhaps oversimplified discussion of investment yields.

The Financial Post does not select stocks for purchaser or recommend the sale. But it is obvious that a discussion of prevailing yields on stocks loses much of its point if it cannot be illustrated by specific examples.

To provide these examples, and to make the selection in a method, which, while done by arbitrary standards allowing no element of personal choice, will yet offer valuable guidance to investors, I have adopted a simple system. There are perhaps 100 or more Canadian companies that have paid dividends in each of the past 10 years. In some cases there may have been variations in the amount of dividends paid but on at least one class of stock these companies paid dividends at some rate over the past 10 years.

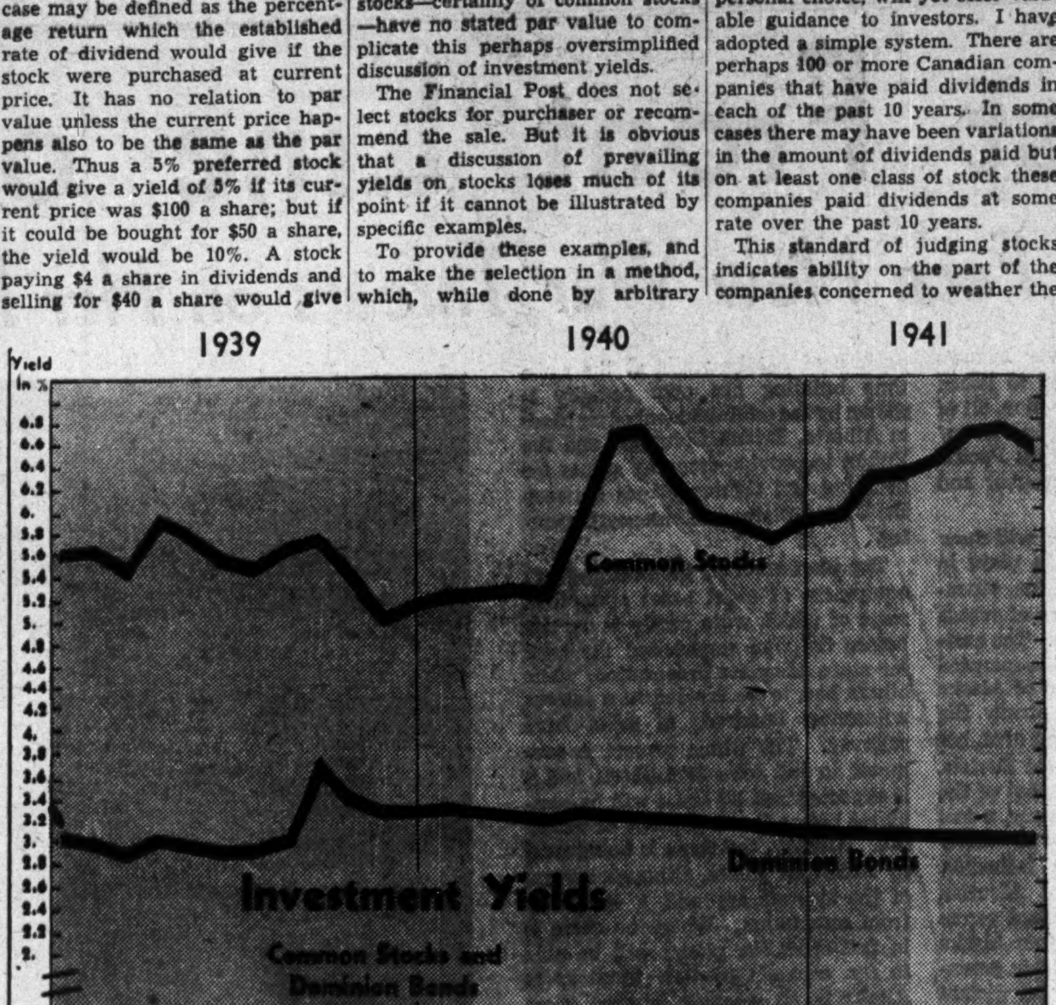
This standard of judging stocks indicates ability on the part of the companies concerned to weather the changes that come along in a period which includes the tail end of a period of extreme prosperity, the depths of an extremely severe depression and the first two years of the war. Surely this covers a range of conditions wide enough to test the stamina of an investment.

Not Sole Standard

A word of warning is essential, however. Ability to pay dividends over any selected period of years is not the sole standard by which to judge the calibre of an investment. It is the one that the laws governing insurance company investments emphasize but the investment officers of any insurance company will tell you that careful investigation is still necessary.

At any rate, for the purpose of illustrating this story, I have adopted a double standard. A company must have paid dividends continuously over at least 10 years on one or more class of stock. Its current yield must also be between 5% and 10% and it must be traded on either the Montreal or Toronto Stock Exchanges.

This simple classification brings in most of the best known Canadian stocks. Some that might have been included perhaps have not been traded recently enough on either the Montreal or Toronto stock exchanges to establish an acceptable price. This makes it impossible to calculate even approximate yields. No attempt was made in the tabulation that follows to pick all the stocks that can meet these simple, but exacting, qualifications, but enough are included to offer a wide range of interest. Two major groups are omitted entirely—the mines and the banks and financial institutions. This was done entirely as a matter of convenience and to keep that list to relatively modest proportions.



Using averages of common stock yields prepared by the Toronto Stock Exchange, this chart shows how bond yields have declined and stock yields risen since the war started.

Company:	Class	Dividends Paid: Yield %	Dividends Paid: Years Paid	Dividends Paid: Current Rate	Dividends Paid: 1940 Payments	Price Range 1941: High	Price Range 1941: Low	Price Range 1941: Last	Earned per Share: 1940 $	Earned per Share: 1939 $	Earned per Share: 1938 $	Business	Comment
Associated Breweries	Pref.	6.4	13	7%	7%	110½	108½	110	75.93	74.24	54.82	Brewers in Western Canada and U. S.	Strong financial and earnings record.
	Com.	6.2	13	$1	$1+0.35	17	14½	17	2.06	2.15	1.63		
Bell Telephone	Com.	5.5	60	8%	8%	160⅛	137	145½	8.15	8.05	8.06	Telephone system in Ontario and Quebec.	Telephones in service at record levels; long distance calls up 18% in 5 months.
B. A. Oil	Com.	6.3	31	$1	$1	18⅜	15	15⅞	1.11	1.41	1.37	Fully integrated oil concern.	Dividend earned from Canadian operations alone; sales volume at record but possibility of gasoline rationing.
B. C. Power	A pref.	8.2	13	$2	$2	26½	22½	24	2.06	*1.08	†2.05	Serves Vancouver area with power, gas, tramways.	5 months net down 20.46%. Gross earnings up 7.96%.
Building Products	Com.	5.5	13	$0.70	$0.70+0.10	15¾	13¼	14½	0.86	1.01	0.77	Building materials.	Business this year high; emergency building programmes help.
Calgary Power	Pref.	6.0	12	$6	$6	102¼	98¾	100	6.25	8.62	7.27	Hydro power in Western Canada and controls Ottawa Valley Power.	Building $3 millions power plant for war purposes.
Consumers' Gas	Com.	6.9	92	$8	$10	145	111	116	10.85	11.95	11.55	Manufactured gas in Toronto area.	Dividend cut this year; gross output up 3.07% in 7 months.
Canada Malting	Com.	7.6	13	$2	$2+0.50	39	32	33	2.63	3.28	2.50	Malt for brewing and distilling industries.	Business—domestic and export—well maintained.
Canada Northern Power	Pref.	8.2	16	7%	7%	99	85	88	14.02	20.74	22.58	Power for Ontario mining district.	Earnings down 7.96% in 6 months this year; important mine contracts lost.
	Com.	..	12	$1	$1.08	11	5	5	0.97	1.89	2.14		
Canada Vinegars	Com.	6.2	13	40c	$0.60	8	6¼	7⅜	0.44	1.04	0.87	Vinegar manufacturers.	New excise taxes hit earnings; poor pickling crop last year.
Canadian Cottons	Pref.	5.1	30	$6	$6	118½	105	118	15.07	16.00	3.18	Cotton and rayon textiles.	Current business ahead of last year.
	Com.	5.9	8	$4	$4+$2	106¾	90	102	12.23	13.48	d3.80		
Dominion Bridge	Com.	5.0	52	$1.20	$1.20	27½	21	24	1.36	0.72	1.04	Structural steel and machinery.	Active in production of war materials and defense projects.
Dominion Textile	Com.	6.8	34	$5	$5	83	69	75	7.03	7.70	3.28	Cotton, rayon, silk textiles, yarns.	Biggest in cotton textile field. Indications of high output rate this year.
Fanny Farmer Candy	Com.	8.0	13	$1.50	$1.50+0.25	28	21½	22¼	2.68	2.56	2.35	Candy shops in U. S.	Prospect of 27½% U. S. withholding tax on dividends. Sales gain 8 consecutive years.
Imperial Tobacco	Ord.	5.0	30	40c	40c+22½c	14	11	13	0.61	0.64	0.63	Tobacco.	Dominates Canadian field; indicated cigarette use up.
Imperial Oil	Com.	5.3	27	50c	50c+12½c	10¼	8⅞	9⅛	0.65	0.71	0.96	Oil refining and distribution.	Canada's largest oil firm; Canadian revenues up but subsidiary dividends down.
International Petroleum	Com.	7.4	22	$1	$1.25	15⅞	13	13¾	0.94	1.19	0.72	Crude oil in South America.	Imperial Oil subsidiary. Indications of improved prices.
Laura Secord	Com.	8.2	15	80c	80c	10½	9	10	0.80	1.00	0.81	Candy and confections.	Steady sales growth and strong finances.
Loblaw Groceterias	B	5.4	13	$1	$1+0.25	26	22	23¼	*	1.64	1.49	Grocery chain in Ontario.	Sales 20% up last year and profits at least maintained.
Montreal L., H. & P.	Com.	6.9	26	$1.50	$1.50	29¼	20½	21⅞	1.77	2.01	1.94	Power and gas in Montreal area.	Higher taxes and costs offsetting higher volume.
Moore Corp.	Com.	6.0	7	$2.22	$1.80+0.60	47¼	41	45	3.72	3.57	2.70	Business forms and packages.	90% of business in U. S.; volume moves directly with business activity.
McColl-Frontenac	Pref.	6.7	14	$6	$6	98	85	90	13.61	16.13	9.67	Oil refining and distribution.	Gasoline sales restricted; building new Calgary refinery.
National Breweries	Com.	8.2	22	$2	$2	27¼	19	24½	1.80	2.25	2.24	Large Quebec brewer.	Prospects good for 1941.
Ogilvie Flour	Com.	5.1	38	$1	$1	21½	18	19½	1.28	1.43	1.09	Flour milling.	Investment income important; milling industry active.
Quebec Power	Com.	9.7	21	$1	$1	14½	9½	10½	0.95	1.13	1.16	Power, gas, tramways in Quebec City area.	Six months net up this year.
St. Lawrence Flour	Pref.	6.4	27	$7	$7	112	110	110	23.01	28.10	d3.13	Flour milling.	Industry active in recent months.
	Com.	7.9	9	$1	$1+0.50	22	19	19	2.55	3.37	d1.62		
Shawinigan	Com.	6.4	34	90c	90c	17	12	14	0.95	1.06	1.04	Power and chemicals.	6 months net up before taxes; power demand at peak.
Southern Canada Power	Pref.	6.1	21	$6	$6	106	97	99	10.92	11.02	11.09	Power in Eastern Townships of Quebec.	Net earnings holding with last year for 6 months.
	Com.	8.0	18	80c	80c	10⅝	8	10	0.87	0.89	0.90		
George Weston	Pref.	5.2	13	$5	$5	98	90	94	32.96	39.80	30.92	Biscuits and confectionery in Canada and U. S.	First quarter net up; operating results favorable.
	Com.	7.6	11	80c	80c	11⅛	9	10⅞	1.21	1.51	1.12		

† 12 months ended June 30, 1939.
* 6 months ended Dec. 31.

* Year ends May 31.

d—Deficit.

Pamphlet Urges Caution On Seaway Deal

Public Finance Authority Thinks Cost Too High For Benefits to be Gained for Either Power or Navigation

From Our Own Correspondent

MONTREAL.—Further large outlays to deepen the St. Lawrence River between Lake Ontario and Montreal are not warranted by the advantages to navigation, according to George C. McDonald in a pamphlet entitled "Some Observations on Canadian Public Finances With Special Reference to the St. Lawrence Deep Waterways Project." This has been distributed to members of the Montreal Board of Trade.

As to power, Mr. McDonald believes if investigations show there are no cheaper alternatives, then the power in the St. Lawrence should be developed as the need arises.

Mr. McDonald, is a former president of the Canadian Chamber of Commerce, senior partner in McDonald, Currie & Co., chartered accountants, and a recognized authority on public finance. He prepared his study in Dec., 1940, not for publication, but it is now being circulated at the request of friends, according to the label accompanying the pamphlet.

The conclusion reached by Mr. McDonald is that the interests most gravely affected by the proposed expenditures on the St. Lawrence waterway are the Dominion's. He says:

"In other words, the taxpayers of Canada generally have to bear the burden of an expenditure on a project which not only does not liquidate itself, but the cost of which is entirely out of proportion to any possible benefits that I can see accruing to Canada or Canadians."

Navigation Benefits Small

In his remarks on the development of navigation, Mr. McDonald points out that within the last 30 years, the completion of the railways, the Hudson's Bay route and the opening of the Panama Canal, seem to "have more or less satisfied the demand of the Prairie Provinces so far as wheat outlets are concerned."

The decline in wheat transportation costs, he believes, has convinced the interested parties that no matter what further developments may occur, there isn't room for much reduction in freight rates.

"Holding the Bag"

Attention is drawn to the fact that Canada already has spent $130 millions on development of the international section of the St. Lawrence waterway. If there is a breakdown in the arrangements with United States and that country increased its expenditures on the St. Lawrence waterway to equal that spent by Canada, it is suggested Canada would be "left holding the bag."

Allowing a combined rate of 6% for interest and amortization on the expenditure already made, Mr. McDonald says Canada provides an annual subsidy to the beneficiaries of the canal of $7.8 millions.

New expenditures on navigation of about $50 millions at the same modest rate for interest and amortization would add another $3 millions to the annual burden of the taxpayer. At the same time, the United States would be assuming a similar annual burden.

"Is it conceivable," says Mr. McDonald, "that the traffic using that 27 ft. waterway would produce a benefit to Canada and the United States of anything like $20 millions a year?"

He goes on to say: "Under the Roosevelt scheme it is proposed to develop 2 million h.p. in the international section of the St. Lawrence, to be used by the two countries on a 50-50 basis. It is proposed that Canada's share of 1 million h.p. would go to the Ontario Hydro-Electric Power Commission. There were certain proposals as to the division of the cost of the Canadian share of the expenditure between the Dominion and the Province of Ontario.

"The natural assumption is that Ontario should pay the full cost of the Canadian half of the power development, whatever that cost should prove to be. For Ontario to have paid any less than the actual cost of the power development would have meant that the Dominion was subsidizing the Ontario Hydro-Electric Power Commission.

"Among the subdivisions of cost to the various items and the evening up process between the two countries of the expenditure on navigation, whether or not Ontario is really to pay the full cost is not clear. Put to the test, that should determine the issue, because, other things being equal, the other provinces in Canada should not object to Ontario at her own expense developing natural resources within her own boundaries."

Need of Federal Restraint

In further comment on development of power, Mr. McDonald says the matter brings up the question of the need of the assertion of some Dominion restraint or an authority over the exercise of provincial control of natural resources.

Suggests Procedure

Before proceeding with the proposed development of power in the international section, Mr. McDonald suggests the Dominion Government and the Governments of Ontario and Quebec should ascertain:

1. the potential requirements for power in central Canada for the next 20 or more years.
2. the resources of power available and the relative cost of development.

Following this the Board should recommend a plan for better coordination and use of present power sources, privately or publicly owned; and further developments to meet growing needs as they arise with the greatest economy and utility from the resources available.

"If the requirements of war industries are of such an urgent nature as to call for more power at a very early date, then consideration should be given to the possible advantages of building and operating steam plants," he suggests.

Electrolux Corp. Net Holds Steady

Returns for First Half of Year Unchanged From 1940

Electrolux Corp. reports net profit of $893,422 for the six months ended June 30, 1941, after providing for federal income tax at the 1940 rate, and setting up a reserve of $76,000 against a probable increase in the tax. This was equivalent to 72 cents a share on the outstanding common stock and compares with $897,560 and the same per share rate in the like period in 1940.

These amounts include no reserves for possible excess profits taxes as none is required under the present law.

Drop in Second Quarter

The statement for the three months ended June 30, 1941, shows a net profit of $460,506 after federal income taxes at the 1940 rate and a reserve of $39,400 against probable increase in income tax. This was equivalent to 37 cents a share on the common stock.

For the same quarter of 1940, the company reported a net profit of $376,136 or 50 cents a share.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Consolidated Paper

Would you be kind enough to give me your views on the investment merits of Consolidated Paper Corp. 5% first mortgage bonds?

Consolidated Paper Corp. 5% first mortgage bonds are not without attraction. There has been a marked improvement in the financial position of the company in recent years. At this time, all floating debt has been cleaned up, while working capital of $12 millions is the highest ever reported by the company.

Reflecting this improvement not only in financial position, but in earning power, the company has resumed interest payments on a cash basis. In 1940 Consolidated Paper earned its bond interest 3.08 times before depreciation and 1.36 times after depreciation. This represented a sharp improvement over that reported in 1939. Prospects are returns for the current year will show up favorably and again interest charges well covered after depreciation.

The long-term record of the newsprint industry has not been altogether favorable—a fact which must be kept in mind when considering the investment merits of the bonds of the newsprint manufacturing companies. At this time, the market position of the Canadian newsprint industry is particularly strong, owing to the elimination of the Scandinavian mills from the international markets.

It must be realized, of course, that following the war, competition for trade will be extremely severe and the Canadian newsprint companies, including Consolidated Paper, may have difficulty in maintaining earnings at the present level. This factor is reflected in the price of the bonds.

Under wartime conditions, there is little doubt but that the company should be able to meet interest charges, unless the rationing of paper and limitation of shipping space becomes much more severe than experienced to date.

Can. Northern Power

I notice the common stock of Canada Northern Power is selling at a price to return a very high yield. Can you tell if there have been any recent developments to warrant the low price of the stock?

A relatively low selling price for Canada Northern Power common reflects the current position of the company. Gross earnings have been increasing over the past year, but the gain in expenses has been an offsetting factor, with the result that net earnings are on a lower scale than a year ago. In 1940 the company lost the important Lake Shore contract and this fall will lose the Noranda Mines contract. On the other hand, the loss of this business results in a lowering of purchase power from Ontario Hydro, so that the net change is not altogether unfavorable to the company. Canada Northern has been in the uncomfortable position in recent years of having to purchase power to meet its growing requirements and at the same time has had to reduce rates in order to meet the competition of Ontario Hydro. This is a situation which can hardly be called satisfactory and consequently, the stock is selling to return a high yield.

International Assets

Would you be kind enough to advise us as to the value, if any, of shares of International Assets Ltd.? We can find no record of the company in current statistical publications.

Shares of International Assets, Ltd. are apparently of no value. This company was formed to attempt to realize on assets held by the Sovereign Bank of Canada. It was unable to raise sufficient capital from the assets of the defunct bank to meet payment of bonds, let alone make any payment to shareholders. The company was incorporated in 1911, but, so far as we can gather, has not been active for many years.

Lake of Woods

Last year Lake of the Woods Milling Co. paid a dividend of $1 a share. Do you think there is any prospect of the company increasing this rate in view of its earning power?

Lake of the Woods Milling Co. has no regular dividend policy. Last year it paid two 50-cent dividends, one in June and the other in December. This year, to date, the company has paid one dividend of 50 cents. One might assume from this that it is the company's intention to pay only $1 this year.

It is difficult to appraise the possibilities of an increase in dividend on the common stock. Financially, the company is in a much sounder position. On the basis of earnings in 1939 and 1940, a larger dividend could have been paid without affecting the liquid position of the company.

On the other hand, conditions are so uncertain that the management may consider it the wiser policy to pay a modest dividend and build up large cash resources to take care of unexpected developments. The export trade, on which the company depends so much, is definitely uncertain and, at this time, it would seem the sounder policy to keep the dividend on a conservative basis.

Steel of Canada

Kindly let me have your opinion as to the position and outlook of the preferred stock of Steel Co. of Canada.

Steel Co. of Canada's preferred shares are regarded as a sound investment medium. The company, which is one of the largest steel operators in the Dominion, has a well-developed earning power, and net profits available on the preference stock have been running well in excess of dividend requirements.

In 1940 the company earned $16.41 on the preferred, as against dividend requirements of $1.75. Since the beginning of this year dividends on the preference, as well as the ordinary shares, have been placed on a participating basis of $3 a share per annum. At present operations of the company are on a capacity basis, and gross income for 1941 is expected to be of record proportions.

While tax payments by the company will be substantially higher, still the amount available on the capital stock should be well in excess of dividend needs.

Advertisers Plan to Give Merit Award

Plans of the Association of Canadian Advertisers, Inc., for making an annual award to Canadian men and women who have made noteworthy contributions to the industrial and commercial development of the Dominion advanced this week with the inaugural meeting of the 1941 awards jury, representing almost every phase of advertising activity.

Awards will be made at the annual dinner Oct. 31.

The awards jury is inviting the assistance of every advertising organization in Canada to bring to its attention outstanding achievements worthy of consideration. All such suggestions are to be sent to Athol McQuarrie, secretary-manager, 1024 Federal Building, Toronto.

The awards are to be made to individuals as recognition of a job well done.

There are four awards, one gold medal and three silver.

The gold medal for a most outstanding contribution to Canadian advertising made by an advertising manager, advertising agency executive, artist, publisher, or other media representative.

A silver medal for an outstanding contribution by an advertising manager or member of an advertising department.

A silver medal for an outstanding contribution to Canadian advertising by an agency executive.

A silver medal for an outstanding contribution to Canadian advertising by a media executive.

While the Association of Canadian Advertisers is sponsoring these awards, the responsibility of selecting the recipients is shared by various organizations, including representatives of the A.C.A.

The jury personnel is as follows:

H. H. RIMMER (Chairman)—Advertising manager, Canadian General Electric Co. Ltd. and director and past president of the A.C.A.
R. E. JONES—Advertising manager, General Foods Limited, and vice-president of the A.C.A.
J. W. THAIN—Director of A. McKim Ltd. and vice-president of Candn. Assoc'n. of Advertising Agencies.
J. M. LECKY—Secretary, Poster Advertising Ass'n. of Canada.
AUBREY BURROWS — Vice-president of "Canadian Transportation," vice-president and director, Candn. Nat'l. Newspapers & Periodicals Association.
W. J. MOTZ — Managing director "The Kitchener Record," president Canadian Daily Newspapers Association.
HARRY SEDGWICK — President, Radio Station CFRB, representing Canadian Association of Broadcasters.
C. V. CHARTERS — Managing Director, Canadian Weekly Newspapers Association.
IVOR LEWIS—Publicity supervisor, The T. Eaton Co. Ltd.
R. W. F. CAPEL—Art director, Rapid Grip & Batten Ltd.

Quinte Milk Products Earnings Satisfactory

Increase in the dividend of Quinte Milk Products Ltd., "is warranted in view of the company's earnings and financial position," states A. L. A. Richardson, president, in a letter accompanying the current dividend payment. The company is paying its regular ten cents a share dividend plus a five cents a share bonus on August 1 this year, to shareholders on record July 19.

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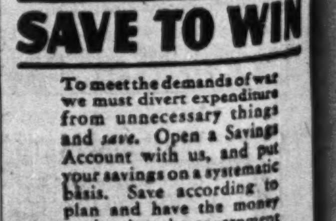


SAVE TO WIN

To meet the demands of war we must divert expenditure from unnecessary things and *save*. Open a Savings Account with us, and put your savings on a systematic basis. Save according to plan and have the money ready when the government calls for it. This Corporation has been doing business in Canada since 1855.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $67,000,000.

Exposition Dramatizes High Spots of War Effort

National Exhibition Will be Action Panorama of War Plants, Troops, Battle for Trade

Chief single travel magnet winding up the summer season, the Canadian National Exhibition this year will play a triple rôle promoting fresh impetus for Canada's war effort:

1. It will crystallize dramatically the wartime contributions of Canadian industry, agriculture and trade; the growing strength of the Dominion's armed forces and equipment for war.

2. It will reflect how producers and business in regular fields in Canada—and in Britain, the Empire and other countries—are carrying on under drastically changed war conditions.

3. It will bolster Canada's vital resources of foreign exchange by the substantial amount of U. S. funds brought here by U. S. visitors to the Exhibition.

Despite questions raised as to the wisdom of continuing the Exhibition during wartime, the attendance and enthusiasm at the 1940 exposition indicated Canadians were glad to have it carry on. All signs point to an attendance this year well up to last year's mark. The Exhibition not only spurs Canada's war effort and normal commerce, it is felt, but mirrors them for the edification of Canada itself, the rest of the Empire, and the United States.

Officials Optimistic

Exhibition officials point out that a similar policy of faith in the future, and meeting emergency demands, guided the enterprise through the critical years of 1914-18. Within two weeks of the Exhibition's 63rd consecutive season—Aug. 22 to Sept. 6 inclusive—they look for one of their most successful years.

C. N. E. directors are confident that the attendance of U. S. tourists will equal, if not surpass, the figures of last year. Volume of advance enquiries from prospective American visitors has held at a level comparing favorably with past years. Greater employment and earnings in Canada as a result of wartime stimulation of industry will, it is expected, bring a larger number of visitors than usual from other parts of Canada to the Exhibition this year.

Canada's Wartime Job

The theme of the 1941 Exhibition will be "Canada's Answer." This will be primarily a concrete exposition of the Dominion's response to the challenge of the war. It is designed to show the C.N.E. visitor more fully than ever before the actual production of the tools of war, and the degree to which Canadian industry and agriculture are geared to wartime tempo. Every facet of the Exhibition panorama will reflect the wartime pattern.

As was done last year, all troops quartered in the Exhibition buildings have been removed to summer camps, leaving space available to exhibitors. Men of the R.C.A.F. will again remain in their quarters at the Coliseum, contributing with their guard-changing ceremonies and daily flag lowering, a great deal of martial color to the show.

An innovation this year will be the presence of several R.C.N.V.R. units. These navy men, already stationed in the Automotive Building in Exhibition Park, are to take a leading part in the 1941 C.N.E. programme. They will participate in a lakefront display, which will include for exhibition a number of boats of the "mosquito fleet" type, similar to these used in the English Channel. Demonstrations of torpedo mechanism and depth charge releasing will also be featured.

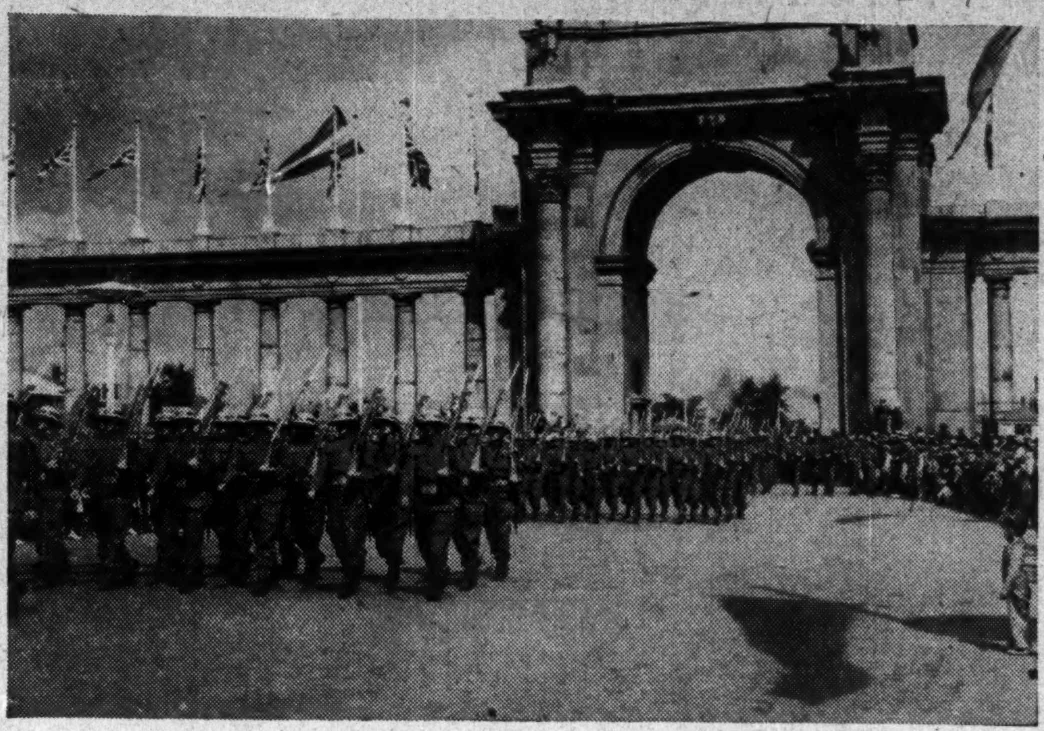
Big War Supply Show

Of primary importance will be the exhibit of the Department of Munitions & Supply. This, the first of its kind ever to go on display in the Dominion, will cover 17,500 square feet of floor space in the Electrical and Engineering Building. It will be shown in conjunction with the exhibits of a number of firms engaged on the production of war equipment.

Set up as a complete munitions and supply plant geared to wartime production tempo, this exhibit will be in full operation even before the official opening of the C.N.E.

Removal of the essential machinery from war factories to the Exhibition site will not entail the slightest interruption in actual production, other than the few hours required to transfer the machinery to the new location. Every article produced in this factory will go to the various Canadian assembly plants and eventually be delivered as war supplies.

A wide variety of war materials will be produced at the Exhibition plant. Visitors will see men and women workers machining barrels for Bren machine guns, making wooden stocks and breech parts for Lee-Enfield rifles, and converting crude billets of steel into shining 25-pounder gun shells. Contrasting with these heavy operations will be the delicate work of skilled lens grinders and polishers, making the "eyes" for fire control instruments and periscopes.



Major attraction for end-of-season travellers, American as well as Canadian, is the Canadian National Exhibition at Toronto. The theme dominating this year's annual exposition—August 22-Sept. 6—will be the swelling war effort of Canadian industry and the armed forces, symbolized here by active service troops marching through the Exhibition's Princes' Gates. Displays of official bodies and private groups will show how the Dominion's industry, agriculture and commerce are geared to wartime tempo.

Achievements of Industry

The first made-in-Canada anti-aircraft gun, produced more than two months ahead of schedule, will be one of the features. The gun, the famous 40 mm. Bofors, will be the exhibit of a plant which in peacetime manufactures building equipment and metal doors. It has already turned out thousands of anti-aircraft gun barrels.

A complete Canadian-built Bolingbroke bomber will be on exhibition outside of the building, and an Anson bomber and Harvard and Tiger Moth trainers inside. Universal carriers, infantry and cruiser tanks, and army vehicles of various types, including medical and dental mobile clinics, will also be on display.

The major extent to which Canada's automotive industry has been turned to the manufacture of equipment and vehicles for the armed forces will be graphically brought out by the exhibition of army motorized units in the Automotive Building. An entirely new feature will be the demonstration of Canadian-built tanks and other mechanized vehicles going through their paces over a specially prepared course, which will approximate to a large degree the actual conditions of the battlefield.

Changes in Foreign Displays

The tremendous change which has taken place in the international exhibits as a result of the war will be particularly noticeable this year. The only exhibit from Europe will be that of Switzerland. Because of the Russo-German conflict, Finland, which was scheduled to show, was forced to cancel her reservation. The Czech exhibit will, however, again be sponsored by the group of Canadians and Czechs known as the Friends of Czecho-Slovakia in Canada.

Of special importance this year will be the exhibits of a number of Latin-American countries, which in most cases have never exhibited before at the C.N.E. They include the republics of Mexico, Brazil, Haiti and Dominica. There will also be a token representation by the Republic of Chile, arranged through the auspices of the Chilean representative in Canada. These exhibits, it is expected, will largely consist of export products and raw materials peculiar to each country.

For the second year an optimistic note dominates the British and Empire exhibits. Great Britain, through the British Department of Overseas Trade, in co-operation with the Ministries of Information and Air, has reserved some 10,000 square feet of floor space. The U.K. display sponsored by a number of British export groups will, in line with last year's fine effort, be particularly large.

Chinaware, leather goods of all kinds, saddlery, and textiles will be among the sections featured.

A large part of the space reserved will be devoted to a modern war relics display, the first of its kind ever to leave the shores of Britain. This will include a German plane, bombs, and relics from some of the famous bombed buildings of London.

Australia, New Zealand, South Africa and India will all be represented as usual through their various exhibits.

Agriculture's War Rôle

The important part which Canadian agriculture is playing in the nation's war effort will be stressed at the 1941 C.N.E. Farm displays will feature the foodstuffs, raw materials, livestock, field, garden and orchard crops so necessary to final victory.

The response of Canadian commercial and industrial exhibitors has been most enthusiastic this year, and the exhibit space for their accommodation shows no reduction from last year.

The part that Canadian women are playing in the Dominion's war effort will be strikingly illustrated at the Exhibition. Making clothing for bomb victims in the "blitzed" cities of Britain, 1,700 women in the Women's Building will work during the fourteen days of the Exhibition. Members of the various women's auxiliary services will demonstrate their ability in driving transports, repair work, and the like.

"Canadian Homes Beautiful" will be a special exhibit of the International Building, demonstrating by means of six actual modern homes, ranging from an eight-roomed residence to a business girl's one-room apartment, ideal living conditions for Canadians.

Que. to Maintain Road Programme

Will Continue Building Despite Lower Revenue Expected from Gasoline

From Our Own Correspondent

MONTREAL.—Anticipated lower revenues from gasoline taxes and reduced revenues from bridge tolls will not cause curtailment of Quebec Province's road building programme, Hon. T. D. Bouchard, Minister of Roads and Public Works, has announced.

The province embarked on a three-year programme of building to bring up its standards and it is expected the programme will be completed in the current year.

Revenue from gasoline taxes is reported to have given the department more funds to expend than expected and a reported surplus of $1 million is expected to be sufficient.

House Building Spurred By Housing Act Loans

Volume of building financed through the National Housing Act is holding up remarkably close to the level set in the months before the war and again in the early part of last year.

Despite restrictions on N.H.A. lending since the end of 1939, the total of loans in the second quarter of 1941 was only 8% below the same periods of 1939 and 1940. In both the latter years the April-June figures were almost exactly equal. Housing Act loans are now limited to a maximum of $4,000 on single family dwellings only, new financing of apartments having been suspended since Jan. 1, 1940.

According to the latest bulletin of the Department of Finance housing administration, loans in April, May and June amounted to $5,545,389. In both 1939 and 1940, the figures for the same period—the first quarter of the Government fiscal year—were within a few thousand dollars of $6 millions.

The favorable showing of this year's figure is only partly offset by the rise in building costs. When allowance is made for the absorption of nearly 40% of pre-war loans by apartments and other multi-unit dwellings, the purely single-house loans in the last quarter are actually ahead of the two previous years by more than 50%. This is a better gain than achieved by residential building as a whole in Canada, which is not quite 40% up over 1940 so far this year.

Another sign of the current trend is that a number of loans in June was higher than June of last year. They totalled 675 compared with 594, the bulk of them for low priced dwellings.

Meet Housing Demand

Officials administering the Act see in the figures evidence that N.H.A. loans continue to be an important factor in meeting a greater demand for low cost housing in Canada. The increased need for housing as a result of wartime industrial activity, and the concentrations of war plants and military projects is being met only partly by the Government financed emergenncy projects of Wartime Housing Ltd.

The remaining field left for private enterprise is being served to a large extent by the Housing Act, especially in the low cost brackets, officials say. In the months covered by the latest figures, the average valuation of the houses financed was $3,660 and the average unit loan was $3,134. Over half the loans were for $3.000 or less and over three quarters came under $3,500.

About a quarter of the loans were for $2,500 or under, but there was a decline in the 90%-of-value loans on minimum cost houses for owner-occupancy. The number of such loans dropped to 106 from 413 in the same period of 1940. This is attributed to the rising costs of building. However, a cumulative total of over 2,300 loans of this type had been made up to June 30, 1941.

With facilities of the Act now operative in 460 communities, and all provinces but Alberta, the grand total of loans at the end of June stood at $73.8 millions. This covers all lending under the Act since its inception in 1935. Provincial totals of loans are as follows:

N. H. A. Loans
(Cumulative to June 30, 1941)

	No. of loans	Amount $
Prince Edward Island	18	97,834
Nova Scotia	690	2,858,220
New Brunswick	200	878,272
Quebec	1,973	14,777,968
Ontario	9,345	38,296,270
Manitoba	1,227	5,061,953
Saskatchewan	70	365,777
Alberta	....	.....
British Columbia	3,480	11,429,040
Total	17,003	73,765,334

Outstanding feature of the 1941 Canadian National Exhibition will be an extensive exhibit of the Dominion Department of Munitions & Supply, where scenes like this will meet the visitor's eye. The Department will present an actual working show of production of actual materials of war such as Bren guns, shells, bombs, and, as pictured above, cartridge flares.

Coastal War Production Slowed By Transport Jam

From Our Own Correspondent

VANCOUVER. — Development of shipyard activity on the coast and the changed conditions in the lumber industry have thrown unusually heavy pressure on the railroads in British Columbia, with the result that production has been curtailed to some extent during the past week.

Because of inability of Burrard Drydock, Ltd., to obtain steel plates from the East fast enough it was found necessary to lay off 15 gangs of riveters, and operations of the yard, under contract to build 42 steel cargo ships for Wartime Merchant Shipping, Ltd., will be at a reduced pace for several weeks, depending on the flow of plates.

Because the sawmill production of Vancouver Island, representing about 50% of the province's total capacity, is customarily geared for shipment direct on ocean-going freighters at the mill wharves, the barge service operated by the railways between the island and the mainland has been insufficient to meet the new demands of the eastern rail markets.

The United Kingdom has come back to the B. C. lumber industry for delivery of about 50 million feet this month and 80 million feet in August, but all of this is to be routed by rail to the Atlantic seaboard for convoy across the Atlantic. In addition there are the rising requirements of the housing boom in Canada and the United States and heavy defense requirements in both countries.

Several of the largest sawmills on Vancouver Island have been forced to eliminate at least one shift to prevent costly overproduction at a time when there is a market for every stick that can be cut.

New Building

WAR PROJECTS

War construction projects recently initiated by contract awards of the Dept. of Munitions and Supply include:

Power facilities and improvement of heating system for Dominion Arsenal, St. Malo and Palace Hill, Que., $68,000.

Wireless school, Burtch airdrome, Ont., wood construction, $230,000.

Elementary flying training school, DeWinton, Alta., wood construction, $414,000.

Elementary flying training school, Bowden, Alta., wood construction, $418,000.

Repair depot, St. Johns, Que., wood construction, $390,000.

Canadian Propellors plant, Longue Pointe, Que., permanent construction, $349,000.

Reported by Engineering & Contract Record:

Shawinigan Falls authorities are having plans prepared for $300,000 town hall.

Dominion Woollens & Worsteds Ltd. has let general contract for $100,000 programme of alterations to factory at Hespeler, Ont.

Steinberg Service Stores Ltd. will shortly start construction of $350,000 office and warehouse building at Montreal.

Aluminum Co. of Canada has got work started on $275,000 office and laboratory building in connection with its fabricating plant at Kingston.

McColl - Frontenac Oil Co. is starting work at once on new $1 million refining plant at Calgary, to have daily capacity of 3,500 bbls.

Guelph Carpet & Worsted Spinning Mills Ltd. is erecting $100,000 factory unit at Guelph.

International Nickel Co. is planning $100,000 electrolytic unit at its Port Colborne, Ont., plant.

Ford Motor Co. of Canada has started erection of $65,000 plant extension at Windsor.

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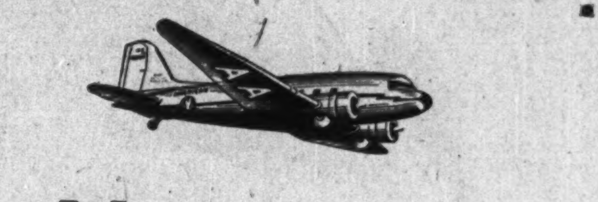

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GOING

Lv. Toronto	11:00 am	*4:20 pm	7:50 pm
Ar. Buffalo	11:37 am	4.57 pm	8:27 pm
Ar. Newark	——	——	10:30 pm
Ar. New York	1:52 pm	7:13 pm	10.55 pm

RETURNING

Lv. New York	6:40 am	9:05 am	*4:05 pm
Lv. Newark	7:05 am	——	——
Lv. Buffalo	9:20 am	11:25 am	6:20 pm
Ar. Toronto	10:00 am	12.05 pm	7:00 pm

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The Canadian Open Golf Championship, Lambton Golf and Country Club, August 7th, 8th and 9th

House of Seagram

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 4

A

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
.90	.50	.	...	Abitibi	1350	.75	.85	.75	.75
8	4	.	...	Do. pref. 6%	855	5½	6½	5½	6½
12½	8	.	...	Do. pref. 7%	....	(.06½ bid — asked)			
3	1	.	...	Acme Glove	....	(1½ bid — asked)			
60	50	6.50	13	Do. pref.	....	(— bid 60 asked)			
12½	11½	80+20c	8	Agnew Surp.	25	12½	12½	12½	12½
108	105	7	6.7	Do. pref.	....	(105 bid — asked)			
1.50	.75	.	...	Alta. Pac. Gr.	....	(.90 bid 1.00 asked)			
30	24½	.	...	Do. pref.	....	(25 bid 33 asked)			
10	7	.	...	Algoma Steel	625	8½	9	8½	9
97½	84½	5	5.9	Do. pref.	15	84½	85	85	85
115	98	8	7.8	Aluminium	190	102	103	101½	103
120	117	6	5.1	Do. pref.	....	(113 bid — asked)			
7½	5½	25c	...	Amal. Electric	....	(5½ bid — asked)			
37	37	60c	1.6	Amer. Cyn. B.	....	(— bid — asked)			
46	44	2.75	6.2	Ang. Can. Tel. p	....	(— bid 47 asked)			
19½	14½	60+60c	6½	Asbestos	231	18	18½	18	18
17	14½	1	5.9	Assoc. Brew.	81	16½	17	17	17
110½	108½	7	6.4	Do. pref.	....	(110 bid — asked)			
•2	2	.	...	Assoc. T. & T.A.	....	(— bid 7 asked)			
‡24	24	48c	...	Do. pref.	....	(— bid 24 asked)			
§103	101	5.50	5.3	Ault & Wiborg.	....	(98½ bid — asked)			

B

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
147	140	8	5.7	Bk. Can. Nat.	2	140	140	140	140
195	171	8	4.3	Bk. Montreal	40	184	184	181	182
285	267	12	4.4	Bk. N. Scotia	32	268	270	270	270
250	240	10	4.1	Bk. Toronto	10	242	242	242	242
•5	4½	.	...	Barcelona	....	(— bid — asked)			
1.25	.35	.	...	Barker's Bread	100	.55	.35	.35	.35
22	16	2.50	14.9	Do. pref.	....	(16½ bid — asked)			
13	10	1	8.3	Bathurst Pr.	380	11½	12¼	12	12½
2½	1	.	...	Do. (B)	70	2	2	2	2
2½	2	.	...	Beath & Sons	....	(2½ bid 3½ asked)			
8	4½	.	...	Beatty Bros.	....	(6½ bid 7½ asked)			
102¾	101	6	5.8	Do. pref.	10	102½	102	102	102
90	88	7	7.8	Do. 2nd pref.	....	(82 bid 92 asked)			
10½	6½	.	...	Beauharnois	131	9	9½	9	9
80	80	4	5	Belding Cort.	....	(— bid 90 asked)			
128	124	7	5.6	Do. pref.	....	(124 bid — asked)			
160½	137	8	5.5	Bell Telephone	256	146	146½	145	145½
6½	5	30c	4.8	Bertram & Sons	....	(6 bid — asked)			
8¾	7½	60c	7.5	Biltmore Hats	60	8	7½	7½	7½
6	5	.	...	Blue Ribbon	....	(— bid 5½ asked)			
37½	32	2.50	7.3	Do. pref.	....	(34 bid 36½ asked)			
10	10	60c	6	Blue Top Br. A	....	(9 bid 11 asked)			
7	7	.	...	Do. (B)	....	(6½ bid — asked)			
22	20	1.30	5.9	Brant. Cord. pf.	400	21½	22	22	22
8½	5	.	...	Brazilian Tr.	1236	8	8	7½	8
5½	2½	50+10c	...	Brew. & Distil.	....	(3½ bid 4½ asked)			
6½	6½	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
90	90	6	6.7	Do. pref.	....	(90 bid — asked)			
18¾	15	1	6.3	Brit. Amer. Oil	1515	15¾	16¾	15¾	16¾
12¾	9¾	.	...	B. C. Packers	....	(9½ bid — asked)			
26½	22½	2	8.3	B. C. Power A	161	24½	24½	24	24½
1.75	1.00	.	...	Do. (B)	....	1.25 bid 3.25 asked			
6	4½	.	...	Bruck S. Mills	45	5¾	6	5¾	6
15½	13½	70+10c	5½	Building Prod.	635	14	14½	14½	14½
10¾	7½	60c	6.8	Burlington St'l	20	8¾	8¾	8¾	8¾

C

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
§70	70	.	...	Calgary Power	....	(— bid — asked)			
102½	98¾	6	6	Do. pref.	....	(99 bid — asked)			
2½	1½	.	...	Canada Bread	....	(2 bid — asked)			
100	95	5	5	Do. pref.	....	(100 bid — asked)			
41	35	2.50	6.2	Do. pref. B.	5	40	40	40	40
4¾	3½	40c	8.9	Canada Bud	50	4½	4½	4½	4½
7	4½	.	...	Canada Cement	1120	5½	5½	4¾	5
100	89¾	5	5.2	Do. pref.	89	97	97	95½	96
5¾	5¾	10c	...	Can. Cr. Stone	....	(95½ bid 97 asked)			
105½	102¾	5	4.8	Canada Cycle, p	....	(104 bid 106 asked)			
27	20½	1.50	6.4	C. & D. Sugar	137	23½	23½	23¼	23½
18	15	1.50	8.3	Can. Forg. (A)	....	(16 bid 20 asked)			
18	15½	‡1.50	...	Do. (B)	....	(16 bid — asked)			
§40	40	‡4.50	...	Can. Iron	....	(30 bid — asked)			
72	70	‡3	...	Do. pref.	....	(— bid — asked)			
§390	390	20	5.1	Canada Life	....	(380 bid — asked)			
39	32	2+50c	7.6	Can. Malting	185	33	35	32	33
11	5	1	...	Can. Nor. Pr.	10	5	5	5	5
99	85	7	7.9	Do. pref.	5	86	88	88	88
87½	74	4	4.9	Can. Packers	20	82	82	82	82
136	120	8	6.4	Can. Perman.	18	122	125	123½	125
9	8	50c	...	Can. Starch	....	(8 bid — asked)			
108	108	7	6.5	Do. pref.	....	(108 bid — asked)			
5½	2½	.	...	Can. Steamsh's.	656	4½	4½	4	4½
23	16	2.50	10.9	Do. pref.	586	22½	23	22	22½
8	6½	40c	5.5	Can. Vinegars	107	6½	7½	6½	6½
61	50	4	7.8	Can. W. Cable	40	51	52	52	52
23	17½	1.50	7.9	Do. (B)	100	19	20½	19	20½
107	106	6.50	6.2	Do. pref.	....	(106 bid — asked)			
½	¼	.	...	Can. Bakeries	14	¼	¼	¼	¼
29	20	‡2	...	Do. pref.	2	22½	22	22	22
163	143	8	5.4	Can. Bk. Com.	5	146½	148	146	148
1.00	.50	.	...	Can. Breweries	800	.85	.85	.80	.85
25	20	3	12.2	Do. pref.	90	24½	24½	23½	24½
36	34	1.50+50c	6	Can. Bronze	....	(— bid 34½ asked)			
105	103	5	4.8	Do. pref.	....	(105 bid — asked)			
6½	5	50c	...	Can. Canners	....	(5 bid 7 asked)			
21	18	1+15c	5½	Do. 1st pfd.	76	20	21	20	20
10	8	60+15c	8	Do. 2nd pfd.	135	9½	9½	9	9½
10	4½	.	...	Can. Car & Fd'y	610	6½	6¾	6½	6½
27½	19	‡88c	...	Do. pref.	100	23	23	22¾	23
29	18½	1+25c	4½	Can. Celanese	635	26½	28	27	28
124	110	7+60c	...	Do. pref.	75	117	117½	117	117
23	22	1	4.4	Do. Rights	....	(22 bid — asked)			
19	15	‡1.50	...	Can. Convert	25	19	19	19	19
106¾	90	4+2	5.9	Can. Cottons	....	(95 bid 105 asked)			
118½	105	6	5.1	Do. pref.	134	118½	118½	118	118½
22	14	.	...	Can. Dredge	50	16½	17½	17	17½
100	99½	6	6	Can. Fairb. pf.	....	(95½ bid — asked)			
12½	9	1.40	11.7	Can. For. Inv.	....	(11½ bid 15 asked)			
105	104	8	7.6	Do. pref.	....	(105 bid — asked)			
220	210	8	3.7	Can. Gen. Elec.	....	(210 bid — asked)			
8½	7	50c	7.2	Can. G. Inv.	....	(7 bid 8 asked)			
3	1½	10c	...	Can. Ind. Alc.	965	2½	3	2¾	3
2½	1½	10c	...	Do. (B)	355	2¾	2½	2¾	2½
208	150	‡3.25	...	Can. Indust. B.	35	159	161	159	159
176	158	7	4.1	Do. pref.	....	(164 bid — asked)			
.30	.25	.	...	Can. Int. I. Tr.	200	....	.30	.25	.25
50	41	2	4	Do. pref.	....	(40 bid 50 asked)			
14	12	1	7.2	Can. Lt. & Pr.	....	(13½ bid 15 asked)			
9	5	.	...	Can. Locomo.	5	7	7	7	7
.95	.60	4c	...	Can. Marconi	325	.65	.90	.65	.90
17	12½	50+50c	8	Can. Oil	....	(12½ bid 15 asked)			
121	118	8	6.8	Do. pref.	....	(118 bid 122 asked)			
7½	4½	.	...	Can. Pacific	21180	6	7½	6	7
.50	.10	.	...	C. Pr. & Pa. In.	12	.20	.20	.20	.20
2½	1½	.	...	Do. pref.	15	2½	2½	2	2
4	2	.	...	Can. Vickers	360	4	4	4	4
17	9½	.	...	Do. pref.	30	17	20	20	20
9	9	1	...	C. Wallpaper A.	....	(8 bid 10 asked)			
9	8	1	...	Do. (B)	....	(8 bid 10 asked)			
45	36	2	5.2	Can. West'ho'se	....	(38 bid — asked)			
20½	18¾	1.50+12½c▲	...	Can. Wire Box	55	19¾	19¾	19¾	19¾
1.25	.75	.	...	Capital Estates	18	.75	.75	.75	.75
119	117½	5	4.2	Carnation, pfd.	....	(118 bid — asked)			
9½	7	50c	...	Catelli Food	....	(5 bid 10 asked)			
10	8	75c	...	Do. pref.	....	(8 bid 10 asked)			
2.00	1.70	.	...	Celtic Knit	....	(1.60 bid — asked)			
155	155	8	5.2	Cent. Can. L'n.	....	(— bid 148 asked)			
92	82	4	4.9	Chart. Trust	....	(— bid 83 asked)			
3½	3½	.	...	Ch. Gai Wines	....	(2¾ bid 4 asked)			
.32	.13	.	...	Chem. Research	1400	.17	.20	.17	.19
.40	.30	.	...	City Gas & El.	....	(.20 bid .50 asked)			
.10	.05	.	...	Claude Leon	....	(— bid .10 asked)			
1.50	1.20	12c	...	Coast Brew	500	1.25	1.25	1.25	1.25
6½	3½	.	...	Cockshutt Plow	25	5½	5	5	5
1.95	1.50	15c	...	Comm. Alcohol	450	1.90	1.75	1.55	1.75
6	5	40c	7.3	Do. pref.	160	5	5¾	5½	5¾
4½	4	‡40c	...	Conduits Nat.	....	(4½ bid 5½ asked)			
14	8	60c	5.4	Cons. Bakeries	305	10	13	9½	13
.03	.02	.	...	Cons. Div. Sec.	....	(— bid — asked)			
8	7	75c	10.5	Do. pref.	....	(7½ bid 9 asked)			
4	2½	.	...	Cons. Paper	7133	3½	3¾	3½	3½
4	3	.	...	Cons. Press	....	(— bid 4¼ asked)			
80	80	‡1.50	...	Cons. Sand, pf.	....	(78½ bid 80 asked)			
40½	31½	1+1.50	6.3	Cons. Smelt.	3411	39¾	39¾	39	39½
145	111	8	6.9	Consumers' Gas	2	116	118	118	118
40	30	5.25	...	Corr. P. Box, p	....	(35 bid 67 asked)			
25	21½	1.20+15c	6	Cosmos Imp.	21	22	21¾	21¾	21¾
31	24½	2	8.2	Crown Cork	75	24½	24½	24½	24½
1½	1½	.	...	Crown Dom. Oil	....	(1½ bid — asked)			
35	28	3	10	Crow's N. Coal	....	(33 bid 35 asked)			
1.05	.50	.	...	Cub Aircraft	400	.70	.70	.55	.70

D, E

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
10½	9½	1	...	David & Fre. A.	....	(9½ bid — asked)			
1.60	1.00	.	...	Do. (B)	10	1.00	1.25	1.25	1.25
8½	7	.	...	de Havilland	25	7	7	7	7
75	75	‡7	...	Do. pref.	....	(70 bid — asked)			
1.50	.80	.	...	Disher Steel	....	(.80 bid 1.20 asked)			
10	10	‡1.50	...	Do. pref.	....	(8 bid 12 asked)			
28½	18½	2.22	8.3	Distill-Seagram	325	23	24	23½	23½
97½	84	5	5.6	Do. pref.	330	87	90	90	90
§39¾	39¾	2.50	...	Dom. Ang. Inv.	....	(30 bid — asked)			
70	70	5	7.2	Do. pref.	....	(70 bid 84 asked)			
200	184	10	5.2	Dom. Bank	30	186	190	190	190
27½	21	1.20	5	Dom. Bridge	20	24	25	24¾	25
21	17¾	1.50	7.7	Dom. Coal, pf.	170	19	20	19½	20
28	15	.	...	Dom. Engineer.	....	(23½ bid 25 asked)			
24	17	1	5.6	Dom. Foundries	110	18½	18½	18	18½
107	105	6	5.7	Do. pref.	....	(105 bid 110 asked)			
128	108	5	4.6	Dom. Glass	38	108½	113	108	113
155	140	7	4.8	Do. pref.	20	145	146	146	146
29½	27½	1.20+40c	6	Dom. Oilcloth	....	(— bid 28 asked)			
.45	.45	.	...	Dom. Scot. Inv.	....	(.45 bid .80 asked)			
25	22½	‡2.05	...	Do. pref.	....	(— bid 22½ asked)			
1½	1½	.	...	Dom. Square	10	1¼	1½	1½	1½
9¾	6	.	...	Dom. St. & C.B.	835	7½	8	7¾	7¾
5½	3½	.	...	Dom. Stores	610	4½	5	5	5
5½	3¾	.	...	Dom. Tar & Ch.	415	4	4½	4	4
88	82¾	5.50	6.5	Do. pref.	30	82¾	84½	84	84½
83	69	5	6.7	Dom. Textile	151	75	75	75	75
155	140	7	4.6	Do. pref.	3	133	152	152	152
1.75	.50	.	...	Dom. Woollens	....	1.05 bid 1.75 asked			
9½	6	60c	...	Do. pref.	60	7¾	8	8	8
5¾	2½	.	...	Donnacona P.A.	935	4	4½	4	4½
5½	2½	.	...	Do. (B)	1510	3¾	4½	3½	4½
5½	4	.	...	Dryden Paper	180	4¾	5½	5	5½
.50	.50	.	...	East Koot. Pr.	....	(— bid — asked)			
10	6	.	...	Do. pref.	....	(6 bid — asked)			
.65	.25	.	...	East Dairies	....	(.50 bid .90 asked)			
9½	5½	.	...	Do. pref.	25	9	9½	9½	9½
13½	10	1	8.3	East Steel	....	(11 bid 13½ asked)			
4	4	.	...	East Theat.	....	(4 bid 5 asked)			
3	2	.	...	Easy Washing	....	(2½ bid 3½ asked)			
23	21½	‡1.37½	...	Economic Inv.	....	(— bid 25 asked)			
8	6	‡40c	...	Electrolux	50	7½	6¾	6¾	6¾
3	2	.	...	Enam. & Heat.	....	(1 bid 2 asked)			
29	23	1.50	10	English Electric	....	(25 bid — asked)			
5¾	3	.	...	Do. (B)	....	(— bid 4½ asked)			
5¾	5	15c	3	Equitable Life	....	(5 bid 10 asked)			

F, G

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
3.00	1.30	.	...	Fairchild Air.	175	2.00	2.37	2.25	2.25
20	16	1	6.1	Fam. Players	....	(— bid 40 asked)			
28	21½	1.50+25c	8	Fanny Farmer	360	22¾	22½	22¾	22½
6	3½	.	...	Fleet Aircraft	1680	4½	5	4	5
§1.50	.75	.	...	Fleury Bissell	....	(.20 bid .75 asked)			
15	13	.	...	Do. pref.	....	(12 bid 14 asked)			
17	14¾	1	5.9	Ford Motor A.	825	16	17	15½	16
16¾	15	1	6.2	Do. (B)	....	(16 bid — asked)			
.15	.15	.	...	For. Pr. Secs.	....	(— bid — asked)			
13½	10¾	1	7.7	Foundation Co.	50	13½	13	13	13
9	4½	.	...	Fraser Cos.	75	8	9	8½	9
11½	5½	.	...	Do. Vot. Tr.	1508	9½	11½	9¾	11
§.50	.30	.	...	Freiman	....	(.50 bid — asked)			
47	41	.	...	Do. pref.	....	(40 bid — asked)			
9¾	6	80c	10.3	Gatineau Pwr.	95	6½	7¾	7½	7¾
90	70	5	6.9	Do. pref.	48	70½	83	70	70
95½	75	5.50	6.9	Do. 5½% pref.	....	(75 bid 90 asked)			
1.25	.25	.	...	Do. Rights	....	(— bid 1.00 asked)			
6¼	4½	.	...	Gen. St. Wares	360	4½	5	5	5
94	86	7+27c	...	Do. pref.	....	(88½ bid 90½ asked)			
80	66	2.50+1.30	...	Goodyear Tire	....	(71½ bid — asked)			
56	52¾	2.50	4.6	Do. pref.	30	54½	54½	54	54
•50	50	‡3	...	Gould Pumps	....	(— bid — asked)			
4	2½	.	...	Gt. Lakes Pap.	....	(1½ bid — asked)			
§29	18½	50c	...	Do. pref.	....	(— bid 20 asked)			
3¾	1½	.	...	Do. Vot. tr. c.	75	2½	3½	3½	3½
19¾	12	50c	...	Do. Vot. tr. p.	75	17	17	16½	16½
5½	1½	.	...	Gt. W. Saddlery	....	(— bid 5 asked)			
30	25	3.75	...	Do. pref.	....	(24 bid 35 asked)			
11½	9½	60c	6.3	Greening Wire	....	(9½ bid 10 asked)			
§1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
4½	2½	.	...	Gurd, Chas.	....	(2½ bid 3½ asked)			
§107½	106½	.	...	Do. pref.	....	(— bid — asked)			
3½	2½	.	...	Gypsum, Lime	150	3¾	3¾	3½	3½

H, I

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
§21½	21½	1	...	Halifax Fire	....	(14½ bid — asked)			
5½	2½	.	...	Ham. Bridge	228	3½	3½	3½	3½
36	34½	2+1.75▲	5½	Ham. Cot., pf.	....	(35½ bid — asked)			
1.10	.65	.	...	Ham. U. Theat.	411	.85	1.10	1.00	1.10
72	65	5	6.9	Do. pref.	....	(72 bid — asked)			
3½	2½	20+10c	...	Harding Carpet	600	3½	3½	3½	3½
.25	.25	.	...	Hillcrest Coll.	....	(.25 bid 1.00 asked)			
4	2½	.	...	Do. pref.	....	(2½ bid — asked)			
10½	8½	50c	5.3	Hinde & Dauch	25	10	9½	9½	9½
•20	20	.	...	Holt Renfrew	....	(— bid — asked)			
35	35	.	...	Do. pref.	....	(40 bid — asked)			
17½	14	2	13.3	Honey Dew	....	(16 bid 17½ asked)			
14½	10½	.	...	H. Smith Pap.	....	(12½ bid 14 asked)			
101	94	6	6.1	Do. pref.	....	(99 bid 100 asked)			
18	14	1	7.2	Humberstone S.	....	(— bid 15 asked)			
4½	3½	.	...	Hunts (A)	....	(3¾ bid 4½ asked)			
5	2	.	...	Do. (B)	....	(3½ bid 7 asked)			
57	52	4	7	Huron & E. Mt.	10	54½	57	57	57
9½	8	80c	...	Do. 20% pd.	....	(8½ bid 9 asked)			
.80	.60	.	...	Hydro Electric	....	(.50 bid 2 asked)			
205	192	10	5.1	Imperial Bank	5	196	196	196	196
10½	8¾	50c	5.5	Imperial Oil	3748	9¾	9¾	9	9½
14	11	40+22½c	5	Imperial Tob.	815	12½	13	12½	12½
8	5	6%	4	Do. pref.	....	(7½ bid 8 asked)			
16	10¾	‡50c	...	Indust. Accept.	....	(10 bid — asked)			
§36	35	3	...	Inter-City Bak.	....	(25 bid 30 asked)			
50	39	‡5+1	...	Inter'c Coal	....	(— bid 42 asked)			
§120	120	8	6.7	Do. pref.	....	(— bid — asked)			
16¾	13	1.50	10.9	Inter. Bronze	1835	14	14	13½	14½
25	20	1.50	6.5	Do. pref.	....	(— bid 26 asked)			
.25	.25	‡3c	...	Int. Coal & C.	....	(.25 bid .35 asked)			
10½	6	.	...	Int. Metal Ind.	1005	9	10½	8¾	10½
105	93	6+3▲	6	Do. pref.	....	(97 bid 99 asked)			
100	93½	6+3▲	6	Do. pref. A.	....	(96 bid 100 asked)			
115¾	110	5	...	Int. Mill., pf.	....	(110½ bid 112 asked)			
36¾	29½	2	5.7	Int. Nickel	1810	35	35	34½	34½
2½	2	.	...	Int. Paints	....	(2½ bid 4 asked)			
15	15	1+25c▲	...	Do. pref.	....	(13 bid 20 asked)			
21	14½	.	...	Int. Pap. & P.	....	(19½ bid — asked)			
81	68	5+6.25▲	6½	Do. pref.	....	(72½ bid — asked)			
15¾	13	1	7.2	Int. Pete.	444	13¾	14	13½	14
3½	2½	.	...	Int. Power	....	(2¾ bid — asked)			
89	79¾	7	8.1	Do. pref.	35	87	86½	86½	86½
•11¾	10½	.	...	Int. St. Rly. A.	....	(— bid 10 asked)			
•4	3½	.	...	Do. (B)	....	(— bid 4 asked)			
7	5	.	...	Int. Util. (A)	....	(5½ bid 7 asked)			
.25	.10	.	...	Do. (B)	....	(.10 bid .15 asked)			

J, K, L

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
13	13	68c	5.2	Jam. Pub. Ser.	....	(— bid 13 asked)			
§135	128	7	5.5	Do. pref.	....	(— bid 124 asked)			
11	8	1	10.5	Kelvinator	....	(9½ bid 10 asked)			
11	5	.	...	L. St. John Pr.	77	7	9	8½	8½
1.00	.40	.	...	Lake Sulphite	1.00	.80	.75	.80	.80
16	11½	‡50c	...	Lake of Woods	720	14	15	14	14½
113	110	7	6.3	Do. pref.	1	110½	111	111	111
53	43	4	9.3	Landed Bank	....	(45 bid 55 asked)			
12	10	70+12½c	...	Lang, J. A.	....	(9½ bid 13 asked)			
•3½	2½	.	...	Langley's	....	(— bid 1 asked)			
25	15	2	...	Do. pref.	....	(22½ bid 27 asked)			
10½	9	80c	8	Laura Secord	150	9¾	10	9¾	10
12	6½	.	...	Legare, pref.	....	(9 bid 9½ asked)			
3½	2½	‡15c	...	Levy Bros.	....	(2½ bid 3 asked)			
6½	4½	.	...	Lindsay, C. W.	....	(— bid 6 asked)			
50	50	.	...	Do. pref.	....	(40 bid 50 asked)			
27	24	1+25c	4.9	Loblaw (A)	274	23½	26	25½	25½
26	22	1+25c	5.4	Do. (B)	185	23½	23½	23½	23½

M

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
1.00	1.00	.	...	Mackenzie Air.	....	(— bid — asked)			
2	2	.	...	Mackin. Steel	....	(— bid 3 asked)			
55	50	‡2.50	...	Do. pref.	....	(— bid — asked)			
15½	11	.	...	Maclaren Pr. p.	160	15	15	15	15
8½	7	.	...	M. L. Gardens.	....	(8½ bid 10 asked)			
7½	5	70c	13.3	Do. pref.	....	(5½ bid 7½ asked)			
2¾	1½	.	...	Maple Leaf M.	670	2½	2½	2½	2½
6	2½	.	...	Do. pref.	218	5½	5¾	5½	5½
16½	15	‡55+10c	...	Maritime Tele.	....	(— bid — asked)			
16	16	70c	...	Do. pref.	....	(16 bid — asked)			
16	14¾	.	...	Marcus Loew's.	....	(17½ bid — asked)			
•100	100	7+3.50▲	...	Do. pref.	....	(— bid — asked)			
3¾	2	.	...	Massey-Harris	310	3	3	2¾	2¾
45	25	.	...	Do. pref.	230	43	45	43½	44½
5¾	3	.	...	McColl Fron.	507	4½	4½	4½	4½
98	85	6	6.6	Do. pref.	22	89	91	86½	89
1.25	.75	.	...	Melchers	15	1.25	1.25	1.25	1.25
5½	5	30c	...	Do. pref.	....	(5 bid 5½ asked)			
•1½	1½	.	...	Mercantile Tran	....	(— bid — asked)			
•5	5	6%	...	Do. pref.	....	(— bid — asked)			
7½	4	.	...	Mercury Mills	....	(4 bid 4½ asked)			
47	45	2.50	5.6	Mitchell, J. S.	....	(— bid 50 asked)			
11	7½	‡50c	...	Mitchell, Robt.	235	9½	11	9	11
16¾	15	60+40c	7	Mod. Contain.	....	(15½ bid 17 asked)			
98	98	5.50	...	Do. pref.	....	(— bid — asked)			
§6	2	.	...	Monarch Knit.	....	(2 bid — asked)			
75	50	7	...	Do. pref.	....	(50 bid 63 asked)			
64	55	4	6.7	Montreal Cot.	....	(55 bid — asked)			
118	110	7	6.3	Do. pref.	....	(111¾ bid — asked)			
1.00	.25	.	...	Mont. Is. Pr.	....	(.25 bid 2.25 asked)			
29½	20½	1.50	6.9	Mont. L. & Pr.	1390	22	22	21½	22
50½	47½	.	...	Do. Notes	35	48¾	48¾	48¾	48¾
15	15	1.25	8.3	Montreal Loan.	....	(— bid — asked)			
.50	.50	.	...	Mtl. Refrig. & S	....	(— bid — asked)			
10	9¾	‡1.25	...	Do. pref.	15	10	10	10	10
30	25	¹1.53	...	Montreal Tele.	41	25½	25½	25½	25½
52	15	.	...	Montreal Trams	55	16½	16	16	16
47½	41	2.22+60c	6	Moore Corp.	310	45	45½	44¾	45
188	176	7	3.9	Do. pref. (A)	10	180	180	180	180
279	266	7	2.6	Do. pref. (B)	....	(— bid — asked)			
.05	.05	.	...	Muirheads	....	(— bid .15 asked)			
§1	1	.	...	Do. pref.	....	(— bid — asked)			

N, O

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
27½	19	2	8.2	Nat. Breweries.	291	24¾	25	24½	25
38¾	35	1.75	4.6	Do. pref.	10	38	38	38	38
5	2½	.	...	Nat. Grocers	85	3½	3½	3½	3½
25½	24½	1.50	5.9	Do. pref.	80	25	25½	25½	25½
8	7	.	...	N. Sew. Pipe A.	....	(6½ bid 8½ asked)			
38½	30¾	2	5.5	Nat. Steel Car.	20	36½	36½	36½	36½
150	140	8	5.7	National Tr.	....	(130 bid 146 asked)			
§9½	9½	‡30c	...	Neon Prod.	....	(— bid — asked)			
25½	18¾	2	10.7	Niag. W. Weav.	....	(15 bid 19 asked)			
3	2	.	...	Noorduyn Av.	70	2½	2	2	2
.90	.35	.	...	North Star Oil.	....	(.45 bid .90 asked)			
3¾	3	35c	11.6	Do. pref.	....	(— bid 3½ asked)			
86	86	6	7	N. S. L. & Pr.	....	(86½ bid — asked)			
107	102	6	5.9	Do. pref.	....	(106½ bid — asked)			
21½	18	1	5.1	Ogilvie Flour	945	19½	21	19½	20¾
155	145	7	4.6	Do. pref.	....	(152 bid — asked)			
113	105	5	4.7	Ontario Loan.	....	(106 bid 107 asked)			
§5½	2	.	...	Ont. Silknit	....	(— bid 3 asked)			
45	35	‡2	...	Do. pref.	....	(39 bid 45 asked)			
10	7	.	...	Do. Scripts	....	(7 bid — asked)			
10	8½	‡75c	...	Ont. Steel	75	10	10	10	10
§115	110	7	6.1	Do. pref.	....	(— bid 120 asked)			
2.00	1.00	.	...	Orange Crush.	....	1.00 bid 1.25 asked			
6½	4½	70c	14	Do. pref.	10	4½	5	5	5
8½	5	‡40c	...	Ott. Car Air	25	5	6	6	6
16	13½	1.20	8.9	Ottawa El. R y.	....	(5½ bid 6½ asked)			
11	5½	60c	10.9	Ott. L. H. & Pr.	25	5¼	5¼	5¼	5¼
99	87	5	5.7	Do. pref.	....	(— bid 90 asked)			

P, Q, R

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
30	23	3c	...	Pacific Coyle	35	27	30	30	30
105½	95½	5	4.8	Page Hersey	135	105	105½	104¾	104¾
4¾	4¾	.	...	Pantepec Oil	....	(— bid — asked)			
30	25	2	8	Paton Mfg.	....	(25 bid — asked)			
115	115	7	6.1	Do. pref.	....	(114 bid — asked)			
50	46	3	6	Penmans	15	50	50	49	49
124	120	6	4.8	Do. pref.	....	(120 bid — asked)			
16½	14½	1	6.2	Photo Eng.	....	(14 bid 17 asked)			
99	95½	7	7.2	Porto Rico Pr p	5	96	96½	96½	96½
6	2	30c	...	Power Corp.	45	4½	4½	4	4
98	75	6	7.9	Do. pref.	32	80	80	76	80
43	28	3	9.4	Do. 2nd pref.	65	30	32	32	32
9½	7¾	1	12.8	Pressed Metals.	55	7¾	8	7¾	7¾
12½	8¾	.	...	Price Bros.	1050	10½	11½	10	11½
70	61	5.50	7.8	Do. pref.	....	(66 bid 70 asked)			
7	5½	40c	6.4	Prov. Transport	145	6½	6½	6½	6½
14¼	9¼	1	9.5	Quebec Power.	395	10½	11	10½	10¾
4	4	.	...	Que. Telephone.	120	4	4	4	4
27	24	2	7.4	Real Estate L'n	....	(26 bid 28 asked)			
5	3	25c	...	Regent Knit	70	3	3½	3½	3½
18	15½	1.60	9.1	Do. pref.	....	(— bid 18 asked)			
4½	2½	.	...	Reliance Grain.	....	(3 bid — asked)			
§66	64	6.50	10	Do. pref.	....	(54 bid — asked)			
20	15½	2	10.8	River S. Mill.	....	(16 bid 18 asked)			
§19½	12	60c	...	Rolland Pap.	....	(9 bid — asked)			
95	89	6	6.5	Do. pref.	60	89	92	92	92
167½	148	8	5.2	Royal Bank	119	155	154	148	153
16½	14	80c	4.8	Russell Indust.	150	16½	16	16	16
160	145	7	4.4	Do. pref.	....	(160 bid 175 asked)			

S

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
107	103	5.50	5.3	Saguenay Pr.	25	106	104	106	106
34½	34½	‡30c	...	Sangamo	....	(20 bid 33½ asked)			
9	6½	.	...	Sarnia Br. (A)	....	(5½ bid 7 asked)			
§21	11	.	...	Do. (B)	....	(1 bid 2½ asked)			
17	12	90c	6.4	Shawinigan Pr.	1159	14	14	12¾	13
12¼	8½	.	...	Sher. Wms.	10	11	11	10	11
115	108½	7+1.75▲	6	Do. pref.	....	(110 bid — asked)			
6	3	20c	...	Silverwoods	....	(5½ bid 7 asked)			
6½	5½	40c	6.4	Do. pref.	....	(6½ bid 6½ asked)			
6½	5½	60c	10	Simon & Sons	....	(6 bid — asked)			
106	105	7	6.7	Do. pref.	....	(— bid — asked)			
11	9	.	...	Simpson, A.	....	(9 bid 10 asked)			
5	3	.	...	Do. (B)	....	(— bid 3½ asked)			
100	91	6.50	6.7	Do. pref.	11	96	97	96	97
135	132	6	4.5	Simpson, R., pf.	....	(132 bid 140 asked)			
10½	8	80c	8	So. Can. Pr.	....	(— bid 9½ asked)			
108	97	6	6.1	Do. pref.	20	98	100	99	99½
2.75	1.25	.	...	St. Law. Corp.	1100	1.75	2.00	1.75	1.90
17	13	1	6.5	Do. (A)	435	14½	15½	15	15½
22	19	1+50c	7.9	St. Law. Flour.	....	(18½ bid — asked)			
112	110	7	6.4	Do. pref.	....	(110 bid — asked)			
40½	31	2	5.7	St. Law. Pap. p	97	35	36	35	36
12½	3	‡1.25	...	Stand. Chem.	20	12½	11	11	11
1½	1	.	...	Stand. Clay	....	(1 bid 1½ asked)			
.90	.50	.	...	St. Pav. & Mat.	....	(.50 bid 1.00 asked)			
4	2½	31½c	...	Do. pref.	....	(3½ bid 3 asked)			
3½	2½	10c	...	Stand. Radio	2160	3¼	3½	2½	3
25	18	60+60c	6	Stedman Bros.	....	(18 bid 22 asked)			
70	59½	3	4.7	Steel of Can.	134	64	65	63	65
74	64	3	4.4	Do. pref.	20	68½	69	67½	67½
3¼	2	.	...	Sterling Coal	....	(— bid 5 asked)			
.15	.15	.	...	Stop & Shop	....	(— bid .20 asked)			
14	10	80+50c■	...	Stuart, D. A. pf.	....	(12 bid 14 asked)			
13½	2½	.	...	Supersilk, H. A.	....	(— bid 2 asked)			
3	3	.	...	Do. (B)	....	(3 bid 3 asked)			
§82	72	5	6.9	Do. pref.	....	(— bid 73 asked)			
30	21½	1+25c	5.8	Sup. Pete. ord.	15	21½	21½	21½	21½
27	25	1+25c	4.6	Do. com.	....	(— bid 32 asked)			

T, U, V

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
11¾	10	80c	7.8	Tamblyn	30	10¾	10½	10½	10½
52¾	52½	2.50	4.8	Do. pref.	....	(52½ bid — asked)			
‡3	3	.	...	Thayers	....	(1½ bid 6 asked)			
§36	20	2.50	...	Do. pref.	....	(20 bid 35 asked)			
2	1	.	...	Thrift Stores	100	1	2	2	2
9	8	.	...	Do. pref.	....	(— bid — asked)			
10	6	60c	7.5	Tip Top Tailors	....	(8½ bid — asked)			
107	100	7	6.7	Do. pref.	....	(103 bid 108 asked)			
1.50	1.00	.	...	Tooke Bros.	....	(1.00 bid — asked)			
13	12	.	...	Do. pref.	....	(10 bid — asked)			
21½	19	‡1	5	Tor. Elevators.	....	(17 bid 20 asked)			
48	42	2.62½	5.4	Do. pref.	105	45	48	47	48
80	63	4	5.9	Tor. Gen. Tr.	....	(66½ bid 68 asked)			
82	75	5	6.7	Toronto Mtge.	....	(72 bid 82 asked)			
149	143	7	4.9	Tuckett Tob. p.	50	146	143	143	143
2.00	1.00	.	...	Twin City	46	1.00	1.50	1.35	1.50
26½	21½	.	...	Do. pref.	....	(2 bid — asked)			
14½	10¾	80+20c	9.1	Union Gas	2180	11½	11½	11½	11½
13½	13	80c	6.2	Un. Amuse. A.	....	(11½ bid — asked)			
13½	13	80c	5.9	Do. (B)	....	(11½ bid — asked)			
.85	.60	.	...	United Distil.	....	(— bid .75 asked)			
38½	30	3	8.8	United Fuel, pf.	75	33¼	34	33¼	33½
5¾	2½	.	...	Do. pref. (B)	105	3½	3½	3½	3½
4½	1	.	...	United Secs.	....	(— bid — asked)			
4	2½	.	...	United Steel	705	3½	3½	3½	3½
4	3	.	...	Viau Bisc.	....	(3 bid — asked)			
60	50	5	10	Do. pref.	10	50	50	50	50

W, Y, Z

Range 1941 High	Low	Div. R'te $	Aug2 Y'ld %	Company	Sales	Last July 28	Week end. Aug. 4 H	L	Cl'se
31	23½	2	6.7	Wabasso Cot.	....	(29½ bid 32 asked)			
48	36½	4	9.3	Walker-Good.	388	42	43	42	42½
20½	19	1	5.1	Do. pref.	232	19¾	20	19¾	20
.80	.50	‡5c	...	Walkerville Br.	20	.70	.75	.75	.75
§135	120	7	5.4	W. Koot. Pr. p.	....	(— bid — asked)			
1.75	.75	.	...	West. C. Flour.	115	.75	1.00	1.00	1.00
25½	14	.	...	Do. pref.	50	21½	23	23	23
60	46	3+1	8.1	West Grocers	....	(49½ bid — asked)			
115	107	7	6.3	Do. pref.	....	(96 bid 111 asked)			
§11¾	11¾	50c	...	W'minster Pap.	....	(— bid — asked)			
11½	9	80c	7.4	Weston Ltd.	85	10½	11¾	10¾	11¾
98	90	5	5.3	Do. pref.	5	94	94	94	94
18½	15	1	6.7	Wilsils	30	15½	15	15	15
1.15	.50	.	...	Winnipeg El. A.	69	.85	.80	.80	.80
1.40	.65	.	...	Do. (B)	91	.85	.80	.80	.80
8	3½	.	...	Do. pref.	168	4½	5	4½	4½
85	74	7	8.7	Wood. A. & J. p	....	(74 bid 80 asked)			
55	45	.	...	Woods Mfg., pf.	....	(45 bid — asked)			
5½	4	40c	...	York Knitting	....	(4 bid 5 asked)			
•100	100	7	7	Do. 1st pref.	....	(— bid — asked)			
13	8½	80c	6.2	Zellers	....	(10½ bid — asked)			
24½	23½	1.50	6.4	Do. pref.	65	23½	23½	23½	23½

Quotations: § 1940. • 1939. * 1938.
▲ On account of arrears. ♦ Paid in 1940.
■ Participating. ‡ Paid or payable in 1941 to date.
○ Paid in 1941 to date after corporate income tax.

Mining Stocks

Week Ending Aug. 4

A

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
No	.18	.05	Aldermac	45,400	.18	.19½	.16½	.19
1	.01½	.00½	Amm. Gold	......	(.00½ bid	.02 asked)		
No	2.75	1.90	Anglo-Huronian	45	2.55	2.65	2.65	2.65
No	.30	.30	Argus Interests	......	(.... bid	.50 asked)		
No	.03	.01	Arno	......	(.... bid	.02 asked)		
1	.09	.03½	Arntfield	11,100	.07½	.07½	.06½	.06½
1	.05½	.03½	Ashley	1,300	.05	.05	.04½	.05
1	.05	.02	Astoria Quebec	......	(.02½ bid	.05 asked)		
1	2.45	1.50	Aunor Gold	8,100	1.95	1.98	1.80	1.85

B

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
1	.16½	.05	Bagamac	700	.05	.09	.07	.07
1	.08	.04	Bankfield	5,400	.05½	.06	.05½	.05½
No	.14	.05	Base Metals	11,100	.11½	.14	.11	.14
1	.15	.06	Bear Exploration	2,100	.10	.10	.10	.10
1	1.24	1.00	Beattie Gold	2,775	1.04	1.05	1.02	1.03
1	.09	.04½	Beaufor	1,000	.05	.05	.04½	.04½
1	1.00	.90	Berens River	......	(.... bid	1.00 asked)		
1	.13½	.07	Bidgood Kirk.	4,500	.08½	.09½	.08½	.09½
1	.11	.05	Bobjo	2,500	.06½	.07	.06	.06½
1	.59	.47	Bonetal Gold	9,000	.55	.54	.49½	.50
1	.02½	.00½	Bouscadillac G.M.	......	(.01½ bid	.03 asked)		
No	11.00	9.50	Bralorne	2,233	10.63	11.00	10.50	11.00
1	.03	.02½	Brazil Gold	......	(.... bid	.02½ asked)		
1	.01½	.00½	Brett Trethewey	......	(.00½ bid	.01 asked)		
1	1.10	.71	Broulan Porc.	23,600	.77	.78	.75	.76
1	5.95	3.00	Buffalo Ankerite	360	4.40	4.40	4.25	4.25
No	.06	.02½	Buffalo Can.	10,500	.03	.02½	.02½	.02½
5	19.00	14.25	Bulolo Gold	860	17.25	18.00	17.75	18.00
No	.02	.01½	Bunker Hill	4,500	.01½	.01½	.01½	.01½

C

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
No	.60	.47	Can. Malartic	1,100	.60	.60	.57	.57
1	.00½	.00½	Capital Rouyn	......	(.... bid	.01 asked)		
1	.91	2.10	Cariboo Gold	500	2.30	2.35	2.35	2.35
1	.01	.01	Cartier Malartic	......	(.01 bid	.02 asked)		
1	.55	.40	Castle Trethewey	900	.55	.55	.55	.55
1	.07	.05	Cen. Cadillac	......	(.03 bid	.06½ asked)		
1	.01½	.01½	Cen. Manitoba	......	(.... bid	.... asked)		
	1.95	1.65	Cen. Patricia	2,000	1.83	1.85	1.80	1.80
1	.21	.09	Cen. Porcupine	12,700	.13½	.15	.12½	.15
1	.18½	.16	Century Mining	......	(.... bid	.15 asked)		
1	1.74	1.10	Chesterville	16,217	1.53	1.57	1.47	1.50
No	.40	.12	Chromium	1,500	.20	.20	.20	.20
5	1.35	.50	Coast Copper	100	1.10	1.35	1.35	1.35
1	1.04	.62	Cochenour Willans	12,875	.76	.78½	.73	.73½
5	1.55	1.05	Coniagas	......	(1.05 bid	1.50 asked)		
No	1.55	1.13	Coniaurum	1,150	1.30	1.32	1.30	1.32
5	40.25	21.50	Cons. Smelters	3,491	39.75	39.87	39.00	39.25

D, E

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
1	1.24	.70	Delnite	500	.80	.75	.75	.75
1	.03½	.02½	Denison Nickel	......	(.03 bid	.04 asked)		
No	25.00	21.00	Dome Mines	1,399	23.63	24.12	23.12	23.25
1	.02	.01½	Dorval Siscoe	7,500	.01½	.02	.02	.02
1	.16½	.08½	Duquesne	66,600	.10	.10½	.09½	.09½
1	2.95	2.05	East Malartic	3,235	2.49	2.58	2.38	2.35
1	.52	.30	Eldorado	22,325	.38	.50	.38	.50

F, G

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
No	3.50	1.92	Falconbridge	1,210	3.10	3.50	2.90	3.55
1	.06	.02½	Federal	7,000	.04	.04½	.04	.04½
1	.06½	.01½	Fernland	6,000	.01½	.01½	.01½	.01½
No	.55	.33	Francoeur Gold	16,800	.49	.50	.46	.47
1	.08½	.03	Gillies Lake	11,000	.06½	.07	.06½	.07
1	.02	.01	Glenora	2,500	.01½	.01½	.01½	.01½
No	.39	.18	God's Lake	27,180	.33	.39	.32	.39
1	.16½	.11	Goldale	200	.12	.12	.12	.12
50c.	.29	.20	Gold Belt	......	(.24 bid	.... asked)		
1	.10	.02½	Gold Eagle	10,500	.05	.05½	.05	.05
1	.13½	.05	Golden Gate	5,600	.07	.08	.07½	.07½
1	.02	.00½	Goodfish	......	(.00½ bid	.01 asked)		
1	.02½	.01	Graham Bosquet	500	.02	.02	.02	.02
No	.06½	.03½	Grandora	......	(.05 bid	.06 asked)		
1	.01½	.01½	Grull Wihksne	......	(.01 bid	.04 asked)		
1	.38	.20	Gunnar Gold	1,500	.25	.26	.25	.25

H, I, J

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
1	.09½	.04½	Halcrow Swayze	3,700	.05½	.05	.05	.05
1	.01½	.00½	Halliwell Gold	......	(.00½ bid	.07 asked)		
1	5.40	3.95	Hallnor Mines	......	(3.75 bid	3.90 asked)		
1	1.10	.65	Hard Rock	2,420	.76	.80	.74	.79
	.08	.03	Harker	......	(.03½ bid	.... asked)		
1	.58	.50	Hedley Mascot	......	(.50 July 3)			
5	13.12	11.75	Hollinger	1,240	12.75	12.75	12.50	12.50
1	.30	.20	Howey Gold	6,950	.22	.23	.21½	.23
No	28.38	23.50	Hudson Bay	1,627	27.25	28.38	27.25	28.25
1	.33	.20	Inspiration	1,100	.30	.30	.30	.30
No	36.75	29.25	Int. Nickel	1,835	35.00	35.00	34.50	34.50
50c.	1.00	.85	Island Mountain	500	.95	1.00	1.00	1.00
1	.02½	.00½	Jacola	......	(.... bid	.02 asked)		
1	.27	.10	Jack Waite	20,100	.19½	.22	.18	.22
1	.46	.35	Jason Mines	9,101	.39	.42	.38	.38
1	.03	.01	Jellicoe	......	(.01½ bid	.02½ asked)		
1	.01½	.00½	J. M. Cons. Gold	......	(.00½ bid	.01 asked)		
1	.01½	.01	Joliet Quebec	3,000	.01½	.01½	.01½	.01½

K, L

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
1	4.90	3.05	Kerr Addison	27,838	4.75	4.90	4.60	4.65
1	.41	.30	Kerr Lake	......	(.... bid	.40 asked)		
1	.02½	.01	Kirk. Gold Rand.	......	(.02½ bid	.05 asked)		
1	.42	.15	Kirk. Hud. Bay	......	(.... bid	.39 asked)		
1	1.05	.67	Kirkland Lake	16,138	.75	.81	.75	.75
1	.17	.07½	Kirk. Townsite	5,100	.08½	.17	.15	.15
1	21.00	14.87	Lake Shore	1,220	15.50	15.75	15.25	15.25
1	5.15	4.20	Lamaque Gold	434	4.75	4.55	4.45	4.50
1	.13	.06	Lapa Cadillac	4,200	.08	.08½	.08	.08
1	.02½	.01	Lebel Oro	3,000	.01½	.01½	.01½	.01½
1	.60	.43	Leitch Gold	5,450	.52½	.53	.48	.48
No	2.06	1.65	Little Long Lac	3,125	1.95	1.99	1.90	1.99

M

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
1	4.35	3.45	Macassa	5,900	3.85	4.00	3.85	3.85
1	2.35	1.49	MacLeod Cockshutt	15,017	1.85	2.05	1.85	2.00
1	.76	.50	Madsen Red Lake	22,120	.73	.74	.71	.72
1	1.30	.85	Malartic Gold	49,925	1.25	1.30	1.20	1.20
No	.09	.04	Mandy	......	(.07½ bid	.09½ asked)		
No	.01	.00½	Man. & Eastern	......	(.00½ bid	.00½ asked)		
1	.04	.01	Maralgo	......	(.06½ bid	.03 asked)		
5	52.25	46.00	McIntyre	110	50.50	50.12	50.00	50.00
1	1.32	.97	McKenzie R.L.	5,300	1.11	1.12	1.05	1.09
1	.09	.04	McVittie Graham	3,500	.04½	.05½	.05	.05
No	.25	.13	McWatters	2,200	.14	.15	.13	.13
5	•.39	.39	Mentor Exploration	......	(.16 bid	.... asked)		
No	1.15	.55	Mining Corp.	13,419	.93	1.15	.90	1.13
1	•.05	.05	Moffatt Hall	......	(.... bid	.... asked)		
1	.55	.30	Moneta	8,000	.36	.35	.33	.33½
1	.04	.01	Murphy	23,500	.03	.04	.02½	.04

N, O

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
1	.31	.21	Naybob	10,970	.24	.25	.24	.24
1	.75	.60	Negus	1,500	.65	.65	.60	.60
No	.02	.01	Newbec	2,000	.01½	.01½	.01½	.01½
1	.03	.01	New Golden Rose	......	(.01 bid	.04½ asked)		
5	1.30	.75	Nipissing	200	1.20	1.30	1.20	1.30
No	58.00	49.25	Noranda	686	57.00	56.50	55.00	55.00
No	.52	.30	Nor. Canada	......	(.30 bid	.39 asked)		
1	.04	.02½	Norgold	......	(.02½ bid	.03 asked)		
No	.70	.25	Normetals	32,807	.55	.70	.56	.68
1	5.00	4.75	Northern Empire	......	(4.00 bid	.... asked)		
1	1.15	.50	O'Brien	41,855	.90	1.15	.80	1.12
1	.18	.10	Omega	3,100	.13	.15	.13½	.14
1	.09	.04	Omsko	......	(.03½ bid	.06½ asked)		

P, Q, R

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
No	1.65	.90	Pamour	6,500	1.10	1.13	1.01	1.01
1	.08½	.02	Pandora	1,000	.03	.04	.04	.04
1	2.70	2.25	Pato Cons. G.	900	2.50	2.55	2.55	2.55
1	.05	.02	Partanen Mal.	11,500	.03	.03	.02½	.02½
1	.01	.00½	Pawnee Kirk.	9,500	.00½	.00½	.00½	.00½
1	.28	.15	Paymaster	6,925	.19	.19½	.18	.18
1	2.10	1.00	Pend Oreille	4,550	1.73	1.78	1.64	1.70
1	1.68	1.25	Perron Gold	1,300	1.45	1.55	1.45	1.55
1	3.10	2.25	Pickle Crow	8,365	3.00	3.10	2.99	3.05
1	2.30	1.90	Pioneer Gold B.C.	900	2.13	2.22	2.15	2.22
1	9.50	8.50	Placer Devel.	25	8.50	8.50	8.50	8.50
1	1.04	.50	Powell Rouyn	750	.65	.65	.60	.60
1	.95	.85	Premier Gold	1,250	.93	.94	.90	.90
1	3.60	2.70	Preston E. Dome	34,735	3.40	3.60	3.35	3.40
No	.20	.20	Prospectors Air's.	......	(.15 bid	.39 asked)		
1	.25	.20	Quebec Gold	......	(.23 bid	.27 asked)		
No	.05	.04	Quemont	......	(.03 bid	.... asked)		
No	.03	.01	Red Crest	......	(.01½ bid	.03 asked)		
1	.30	.10	Reeves McDonald	1,000	.20	.20	.20	.20
1	.13½	.10	Reno Gold	700	.11½	.11½	.11	.11½
1	.01	.00½	Robb Montbray	200	.00½	.01	.01	.01
1	.05	.02	Roche Long Lac	2,000	.03½	.04	.03½	.03½

S, T, U, V, W, Y

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
1	2.65	2.03	San Antonio	11,914	2.55	2.61	2.40	2.45
1	.07½	.03	Sand River	500	.03½	.04	.04	.04
1	.59	.35	Senator Rouyn	21,200	.46	.48	.46	.47
1	.04	.01	Shawkey	300	.01	.01	.01	.01
50c.	.88	.50	Sheep Creek	400	.88	.90	.50	.50
1	.87	.55	Sherritt Gordon	14,390	.82	.87	.80	.85
1	8.90	7.00	Sigma Mines	228	7.50	7.55	7.35	7.35
1	.60	.50	Siscoe	19,850	.52	.55	.52	.53
1	.43	.14	Sladen Malartic	7,800	.17	.25	.25	.25
1	.19½	.06½	Slave Lake	8,150	.06½	.08	.07½	.07½
1	.15	.07½	St. Anthony	1,100	.08	.08	.08	.08
No	1.95	.81	Steep Rock	45,400	1.63	1.95	1.60	1.93
No	.04½	.02	Straw Lake	300	.02½	.02½	.02½	.02½
1	.24	.13	Sturgeon River	1,000	.16	.16	.16	.16
No	1.65	1.10	Sudbury Basin	3,450	1.48	1.60	1.46	1.63
1	.05½	.01½	Sudbury Contact	1,000	.02½	.03½	.03½	.03½
1	.66	.50	Sullivan Cons.	3,000	.60	.62	.59½	.60
1	2.95	2.35	Sylvanite	1,235	2.70	2.90	2.75	2.85
1	3.75	2.65	Teck Hughes	5,995	2.72	2.75	2.65	2.75
1	.18½	.04	Teniskaming	......	(.04½ bid	.05½ asked)		
1	1.80	1.40	Toburn Gold	210	1.70	1.65	1.60	1.65
1	.18½	.08	Towagamac	5,800	.18	.18½	.17	.17
No	•.50	.20	Trans. Resources	6,700	.35	.43	.39	.43
1	.39	.06	Uchi Gold	1,100	.09	.09½	.09½	.09½
	84.00	40.00	Do., Bonds	......	(.38 bid	.41 asked)		
1	2.28	1.27	Upper Canada	14,250	1.99	1.99	1.87	1.88
No	4.68	2.75	Ventures	1,910	4.80	4.65	4.45	4.45
No	4.60	3.00	Waite Amulet	3,659	4.3	4.60	4.20	4.60
1	.26	.15	Wendigo	1,000	.24	.23½	.23½	.23½
1	.01½	.01	Wiltsey Coughlan	500	.01½	.01½	.01½	.01½
1	.10	.04	Wood Cadillac	2,000	.06	.05½	.05	.05
No	7.05	3.65	Wright-Hargreaves	15,860	3.85	4.10	3.85	4.00
No	.08	.0.	Ymir Girl	......	(.05½ bid	.06½ asked)		

Oil Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
No	.11½	.04	Acme Gas & Oil	......	(.06½ bid	.07 asked)		
1	.09	.06	Alta. Pac. Cons.	......	(.07 bid	.... asked)		
1	.18	.10	Ajax	......	(.14 bid	.16 asked)		
No	.81	.46	Anglo Canadian	700	.59	.62	.60	.60
No	.12	.05½	Br. Dominion	......	(.04½ bid	.06 asked)		
No	.12	.06½	Brown Oil	500	.07	.07½	.07½	.07½
No	1.49	1.05	Calgary & Ed.	2,430	1.33	1.35	1.29	1.29
1	.26	.14	Calmont	700	.25	.20	.20	.20
No	.26	.18	Commoil	......	(.22 bid	.28 asked)		
No	.25	.19	Common Pete	500	.22	.25	.25	.25
No	.32	.20	Dalhousie	40	.20	.20	.20	.20
No	.17	.11½	Davies Pete	2,400	.15½	.16	.15½	.15½
No	.05	.02½	East Crest	......	(.03 bid	.03½ asked)		
No	.18	.11½	Extension Oil	4,250	.17	.18	.18	.18
No	.30	.20	Federated Pete	......	(.... bid	.25 asked)		
No	.80	.40	Foothills	2,600	.60	.65	.60	.65
No	•.08	.05	Hargal	......	(.... bid	.20 asked)		
No	.15	.06	High Sarcee	......	(.08½ bid	.... asked)		
No	2.55	1.50	Home	16,140	2.17	2.21	2.17	2.20
1	.02	.01½	Homestead O. & G.	......	(.01 bid	.02 asked)		
No	.08	.04	McD. Segur	......	(.04½ bid	.06 asked)		
1	.15	.15	Model	......	(.14 bid	.18 asked)		
25c.	.05	.05	National Petroleum	......	(.... bid	.06 asked)		
1	.06	.03	Nordon	1,000	.03	.03½	.03½	.03
No	.02½	.01½	Oil Selections	......	(.01½ bid	.02½ asked)		
No	.78	.35	Okalta	650	.51	.53	.45	.55
No	.04½	.02½	Pacalta	3,000	.03	.03	.02½	.03
1	.27	.15	Pacific Petroleum	......	(.20 bid	.21 asked)		
No	.30	.25	Petrol Oil & Gas	......	(.25 bid	.50 asked)		
No	24.00	16.50	Royalite	50	23.00	22.75	22.75	22.75
No	.30	.13	South West Pete	2,100	.15	.20	.15	.15
No	.04	.01½	South End	3,500	.01½	.02	.01½	.01½
5	1.25	.90	Texas Can.	......	(.95 bid	1.10 asked)		
No	.04½	.02½	United Oils	......	(.03½ bid	.04 asked)		
1	.03	.01	Vermilata	......	(.01 bid	.03 asked)		
1	.34	.25	Vulcan	......	(.20 bid	.... asked)		

Vancouver Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
No	......		Bayonne	......	(.... bid	.... asked)		
No	11.00	9.50	Bralorne	1,105	10.75	10.85	10.75	10.85
1	.00½	.00½	Bridge River Cons.	......	(.... bid	.... asked)		
1	2.91	2.05	Cariboo Gold	100	2.30	2.35	2.35	2.35
No	.01½	.00½	Dentonia	4,500	.01½	.01½	.01½	.01½
No	.00½	.00½	Fairview Amal.	......	(.00½ bid	.01 asked)		
1	.15	.13	George Copper	......	(.14 bid	.... asked)		
1	.08½	.03½	Golconda	......	(.04 bid	.06½ asked)		
50c.	.32	.20	Gold Belt	1,200	.25	.26	.26	.26
50c.	.15½	.10	Grandview	......	(.14 bid	.15 asked)		
1	.02½	.01	Grull Wihksne	2,600	.01½	.01½	.01½	.01½
1	.60	.45	Hedley Mascot	1,700	.50	.49	.48	.48
No	.00½	.00½	Home Gold	......	(.... bid	.00½ asked)		
1	.01	.00½	Indian Mines	......	(.01 bid	.... asked)		
50c.	1.00	.75	Island Mountain	400	.95	1.00	1.00	1.00
1	.33	.27	Inter'l Coal	......	(.... bid	.... asked)		
50c.	.28	.20	Kootenay Belle	300	.27	.27	.27	.27
1	.25	.20	McGillivray Creek	......	(.18 bid	.... asked)		
No	.02½	.00½	Minto Mines	......	(.... bid	.01½ asked)		
50c.	.00	.00	Nicola	......	(.... bid	.... asked)		
1	.10	.03½	Pacific Nickel	1,500	.05	.10	.10	.10
1	2.00	1.26	Pend Oreille	100	1.46	1.65	1.65	1.65
1	2.25	1.95	Pioneer Gold	......	(2.20 bid	2.25 asked)		
No	.03½	.01½	Premier Border	......	(.12 bid	.02½ asked)		
1	.96	.85	Premier Gold	2,000	.95	.95	.93	.94
No	.63	.44	Privateer Mines	5,250	.4	.50	.48	.49
1	.02½	.01½	Quatsino Copper	......	(.... bid	.... asked)		
1	.22	.10	Reeves McDonald	......	(.18 bid	.25 asked)		
1	.03	.01½	Relief Arlington	5,000	.02	.02½	.02½	.02½
1	.13	.10	Reno Gold	......	(.11 bid	.... asked)		
1	•.06½	.04	Sally Mines	......	(.... bid	.... asked)		
1	.02½	.01	Salmon Gold	......	(.... bid	.02 asked)		
50c.	.95	.72	Sheep Creek	1,600	.92	.95	.91	.93
50c.	.85	.65	Silbak Premier	......	(.85 bid	.... asked)		
No	.00	.00	Silvercrest	......	(.... bid	.... asked)		
1	.05	.05	Sunloch	......	(.... bid	.... asked)		
1	.15	.10½	Surf Inlet	......	(.10 bid	.... asked)		
50c.	.01	.00½	Taylor Bridge	......	(.02 bid	.... asked)		
20c.	.00½	.00	Wellington	......	(.00½ May 16)			
50c.	•.00½	.00½	Wesko	......	(.... bid	.... asked)		
1	.02	.00½	Whitewater	......	(.01 bid	.01½ asked)		
No	.08	.04½	Ymir Yankee Girl	......	(.05 bid	.... asked)		

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close July 28 (or last)	High for week	Low for week	Close Aug. 4
1	.09½	.05	Alta. Pac. Cons.	30	.07½	.06	.06	.06
No	.82	.46	Anglo Canadian	1,200	.60	.61	.60	.60
No	.08½	.04	Anaconda	500	.05	.05	.05	.05
No	.07	.04	Brit. Dominion	......	(.04 May 29)			
No	.07	.05½	Brown Oil	......	(.... bid	.... asked)		
No	1.50	1.01	Calgary & Ed.	600	1.35	1.35	1.34	1.35
	.26	.12	Calmont	500	.20	.20	.20	.20
No	.28	.18	Commoil	......	(.22 bid	.28 asked)		
No	.24	.19	Commonwealth	1,000	.23	.24	.24	.24
No	.30	.20	Dalhousie	......	(.24 bid	.... asked)		
No	.15½	.13½	Davies Pete	......	(.14½ bid	.... asked)		
No	.04	.02	East Crest	......	(.... bid	.... asked)		
No	.19	.11	Extension	5,725	.17	.19	.18	.19
No	.36½	.21	Federated Petroleum	1,200	.22½	.22½	.21	.22½
No	.60	.41	Foothills	......	(.58 bid	.... asked)		
No	.15	.07	High Sarcee	......	(.09 bid	.... asked)		
No	2.52	1.50	Home Oil	1,775	2.15	2.24	2.10	2.18
No	.01½	.01	Madison	......	(.... bid	.... asked)		
No	.01½	.01	Marjon Oil	......	(.... bid	.... asked)		
No	.07	.04	McD. Segur Ex.	......	(.04½ bid	.05 asked)		
No	.05	.02	Mercury	......	(.... bid	.... asked)		
No	.05½	.04	Mill City Pete	......	(.05 bid	.... asked)		
1	.19	.12	Model	500	.16½	.16	.16	.16
25c.	.05½	.04½	National Pete	......	(.04 bid	.... asked)		
1	•.05	.04	Nordon	......	(.... bid	.... asked)		
No	.75	.40	Okalta	......	(.50 bid	.... asked)		
No	.04	.02	Pacalta Oil	......	(.02 May 30)			
1	.26	.18	Pacific Petroleums	1,625	.20	.24	.20	.24
No	.15	.06	Royal Canadian	......	(.06 bid	.... asked)		
No	•.10½	.06	Royal Crest	......	(.... bid	.... asked)		
No	22.00	17.12	Royalite	......	(22.00 bid	.... asked)		
No	.01½	.01½	South End	......	(.... bid	.... asked)		
No	.25	.10	Southwest Pete	......	(.11 bid	.... asked)		
1	.05½	.02½	Spooner	......	(.03½ bid	.... asked)		
25c.	.14	.10	Sunset Oil	......	(.09½ bid	.... asked)		
No	.04½	.03	United	2,000	.04	.04	.04	.04
No	.04½	.03	Vanalta	2,000	.03	.03½	.03½	.03½
1	.38½	.20	Vulcan	......	(.... bid	.35 asked)		

* Quotations for 1940.

Winnipeg Stocks

(Transactions from July 28 to Aug. 2)

	Sales	High for period	Low for period	Close Aug. 2
Beaver Lumber, p.	10	102.00	102.00	102.00
Cen. Manitoba	500	.03	.03	.03
Great-West Life	5	190.00	190.00	190.00
Great Falls M. & S.	2,950	.04½	.04	.04½
Marvel Oil	10,000	.01	.01	.01
Wingold	3,000	.09	.08¾	.09
Western Steel	125	7.00	7.00	7.00

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Fed. Grain, pf.	31	32
Beav. Lumber, c.	3¾	5	Nor. Can. Mtg. p.	5	..
Can. Airways	1	1½	Traders Bldg.	43	..
Cres. Cream., pf.	11	..	West. Brew.	1⅝	2
Corr. P. Box, c.	.60	..	West. Grain, p.	..	9
Fed. Grain, c	.35	.50	Wings vot. tr.	.38	..

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Aug. 5	15,600	6,400	233,000	......
Aug. 4	—Holiday—			
Aug. 2	8,700	6,000	142,000	24,750
Aug. 1	9,200	14,290	322,000	17,330
July 31	6,700	9,600	249,000	14,140
July 30	7,100	7,500	234,000	16,176

Government Bonds

Dominion of Canada Bonds (Supplied by Investment Dealers' Assoc. of Canada)

Aug. 6, 1941

%	Due	Bid	Ask.	Approx. Yld.
5	Nov. '41	100¾	101½	.70
1½	May '42	100¼	100¾	.86
2	June '42	100¾	101¼	.50
3	Oct. '42	102	102½	.91
2½	June '43	101½	102¼	1.25
5	Oct. '43	106¾	107¼	1.65
2	June '44	100¾	101¼	1.55
a2½	Jan. '44	97	98¾	3.11
4½	Oct. '44	107½	108¼	1.85
2½	Nov. '44	101¾	102¼	1.72
a2½	Aug. '45	98	97¾	3.30
4	Oct. '45	104½	105	b1.72
4½	Feb. '46	109	109¾	2.21
3½	June '49	102¾	103½	b2.48
3½	Oct. '49	102¼	103	b2.53
3½	Nov. '51	101	101¼	b2.98
3½	Feb. '52	101½	102	b2.91
a5	May '52	101¾	102¾‡	1.30
4	Oct. '52	105½	108	b2.94
3	Oct. '52	98¼	99	3.10
3	June '55	98½	99½	3.07
4½	Nov. '56	107¾	108¼	b2.83
4½	Nov. '57	107¾	108¾	b2.98
3	June '58	98½	99	3.07
4½	Nov. '58	108¾	109¼	b3.00
4½	Nov. '59	109½	109¾	b3.13
a4	Oct. '60	100	101¾	3.87
a3½	Jan. '61	91½	92½‡	3.80
3½	June '66	100½	101	b3.17
a3e	Jan. '67	87	88¼‡	3.72
a3e	Nov. '68	87	88¼‡	3.68
†3	Perpet'l.	91¾	92¼	3.23

Dominion Guarant'd. Bonds
Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100¼	101¼	1.25
2½	Jan. '46	100¼	101¼	1.75
3	May '44	102½	103½	1.73
3	Dec. '50	98¾	99¾	3.03
3	Feb. '53	97¾	98¾	3.13
3	Jan. '59	96¾	97¾	3.17
*4½	Sept. '51	114½	115½	2.79
*4½	Feb. '56	114¾	115¾	3.14
4½	July '57	114¾	115¾	3.23
*4½	June '55	116¾	117¾	3.17

%	Due	Bid	Ask.	Approx. Yld.
5	Feb. '54	116¾	117½	3.28
*3e	July '69	114	115	b1.50
*3e	Oct. '69	118¼	119¼	b2.87
*3e	Feb. '70	118¾	119¼	b2.91

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Approx. Yld.
3	Jan. '62	98½	99½	3.05

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	85	88	4.47
3½	Aug. '49	89	92	4.45
3½	June '56	86	89	4.53
c4	Nov. '47	95	98	4.36
c4½	Apr. '61	97	99	4.58
c5	Jan. '60	100	103	4.75
Nova Scotia:				
3	Jan. '52	93	94½	3.64
3½	June '56	93	94½	3.77
3½	Nov. '50	98	99½	3.56
c4½	Sept. '52	105½	108	b3.06
c4½	Nov. '60	108	110½	3.72
c5	Mar. '60	113	115½	3.82
Ontario:				
2½	May '45	98	100	2.50
3	Apr. '48	98½	99½	3.08
3	Nov. '50	98¼	99½	3.09
3½	Nov. '51	100	101	b3.11
3½	May '55	99½	100½	b3.20
*4	June '62	106	108	3.45
4½	June '50	108	109¾	3.22
*4½	Jan. '62	112	115	3.47
5	Oct. '48	110½	111¾	3.16
*5	Dec. '60	119	121	3.50
5½	July '46	110¾	111¾	2.98
Ont. Hydro Commission:				
3	Aug. '48	99	100	3.00
3½	Feb. '53	100	101	b3.11
3½	Apr. '47	101½	102½	3.01
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	95	96½	3.63
3½	Mar. '48	96	97½	3.69
3½	Mar. '59	91	93	4.06
4	Mar. '52	98¼	101	3.87
3½	Feb. '55	96	97½	3.99

%	Due	Bid	Ask.	Approx. Yld.
4½	Aug. '58	100	102	4.09
4½	Jan. '63	102	105	4.15
Alberta:				
4	Dec. '34	58	61	d
4½	Oct. '51	67	70	d
c4½	Oct. '56	61	63	d
*5	Oct. '38	63	65	d
c5½	Apr. '52	64½	66½	d
6	Mar. '47	69	71	d
British Columbia:				
c4	Dec. '57	99	101	3.32
*4½	Jan. '51	102	104	4.00
c4½	Oct. '53	102	104	4.08
c5	Apr. '54	105	107	4.29
5½	Feb. '45	103	105	3.95
6	Feb. '47	106	108	4.35
Manitoba:				
c4	Dec. '57	88	91	4.80
c4½	Dec. '36	92	94	3.98
*5	Dec. '39	95	98	3.17
5½	Oct. '55	98½	101	3.60
6	Apr. '47	100	103	3.37
Saskatchewan:				
4	Sept. '34	71	73½	7.18
4	Nov. '60	69	71	6.73
c4½	Oct. '51	83	86	6.33
c4½	Mar. '60	76	78	6.55
5	Aug. '58	79	82	6.80
5½	Oct. '52	85½	88	7.03
6	Mar. '53	90	93	6.95

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Aug. 5, 1941

Industrials:	Bid	Ask.
Acme Farm., pf.	43	..
Andian National	28½	31
Anglo C. Tel., A	7¾	8½
Atlas Steel	18	..
Barrymore, pfd.	29	..
B. C. Pulp, c.	10	11
Do., pfd.	65	68
B. C. Sugar	70	73
B. C. Tel., 1st p.	111	114
Burns & Co., a	5	6
Do., B	3½	4½
Can. Co-op. Wl.	8	..
C. I. L., pf.	168	173
Can. Ing. Rand.	73	77
Can. Col. Air.	2½	3½
Can. Mot. L.A.B.	2½	..
Can. Tube, 1st p	90	..
Chase, A. W., p.	18½	20
Claude Neon, p.	4½	5½
Colonial Steam.	18	20
Copeland Fl. un.	12¾	14
Dom. Manuf., p.	60	65
Dunlop T. p. $25	22½	23
East. Steel, pf.	..	20
Easy Wash. p $10	9½	11
Goderich Elev.	6½	7½
Guelph Carp., c.	18	21
Gurney Fdry., p	1	1½
Hayes Steel, c.	9½	10
Hi'land Dairy, p.	48½	51
Homewood San.	100	120
Kingst. Ship. un	31	32
Loblaw Inc., c.	11	12
Maritime Tel., c.	14½	..
Minn.&Ont. P. c	3¾	4
M'row Screw, p.	100	..
Do., com.	10½	12
Moirs, pfd.	18½	21½
Mt. Royal H., c.	2½	3½
Morrison Br. un.	5½	7

	Bid	Ask.
N. B. Tel., c.	10	12½
Neilson, Wm., c.	9	..
Do., pfd.	100	..
N. Meth. Ldy. p	55	58
Ont. Tobacco, p.	17	20
Pac. C. Term., c.	9	10½
Prov. Paper, pfd	100½	103
Ruddy, E. L. p.	22	25½
Quinte Milk	2	3
Stand. Fuel, p.	55	58
Stedman, pf. $50	57½	59
Sutton Horsley	1½	1¾
Tor. Carpet, c.	38	..
Do., pfd	65	68
Un. F. Co-op.	2½	3½
Un. Steel A pf.	23	25
Viceroy Mfg., p.	24	..
Do., com.	12½	..
Westons Hold.	3	..
Trusts & Loan Stocks:		
Brit. Mtge.	125	125
Brockville Tr.	41	..
Capital Tr.	30	32½
Com. Fin., c.	2¼	3
Grey&Br. Tr. $50	44	46½
Guaranty Trust	101	104
Guelph & O. $50	50½	53¾
Indust. Mtge.	25	..
Lambton Loan	31	34
London & West.	34	37
Midland Loan	14	15½
Premier Trust	..	58
Sherbrooke Tr.	120	..
Sterling Trust	50	..
Traders Fin. A c	7	9
Do., A pfd.	76	80
Trusts & Gr. new	..	48
Victoria Trust	72	76
Waterloo Trust	99	..
Insurance Stocks:		
Canada Life	392	405

	Bid	Ask.
Brit. Amer.	31½	33½
Canadian Fire	82½	..
Confed. 30% pd.	137	142
Continental L.	35	37½
Crown, fully pd.	255	..
Dominion Fire	140	..
D. of Can. Gen.	114	120
Empire, 25% pd.	6	7
Excelsior 38% pd	71	75
Federal, 25% pd.	30	..
Great-West Life	192	202
Halifax Fire	15½	16½
Imperial Life	290	298
Manufac. Life	220	245
Monarch Life	32	35
National Life	20	24
Sov. L. 25% pd.	13	..
Sun Life	290	310
Tor. General	4½	5½
Wellington Fire	58	..
Western Assce.	41	44
Theatre Stocks:		
Allen's King. un	63	66
Do. St. Cath. un	32	..
Mansf. Theat. p.	28½	31
Para. Kitch., p.	50	..
Do. Oshawa, c	7½	10
Investment Trust Shares:		
Can. Investors	4	5
Inv. Found. un.	42½	44
Sec's. Hold. pf.	19	21
United Corp., A	18½	20½
Do., B	3½	4½
Power Issues:		
Can. W. N. Gas	26	..
Do., pfd.	102½	104½
Gt. Lakes Pr., p	102	104
Int. Util. 1.75 p.	15	..
Do., $3.50 p.	34	..
Mtl. Is. Pwr., p.	40	..
Nor. Ont. Pr., p.	70	75

Unlisted Mines

Toronto, Aug. 5, 1941

	Bid	Ask
Albany R		
(Old)	.03	.04½
(New)	.08	.11
Amal Kir	.09½	.11
Anoki	.03½	.04½
Aquarius	.15	.17
Arjon	.03½	.04½
Armistice	.16	.18
Argosy	.07	.08½
Area	.02½	.03½
Athona		
(Old)	.01	.02
(New)	.02½	.03½
Barb Lard	.02½	.03
Bilmac	..	.03
Brock	.32	.34
Buff Bear	..	.03
Calder Bo	.04	.05
Central M	.02½	.03
Cheminis	.02	.03
Coin Lake	.03½	.04
Cons Chib	.04	.06
Crescent	.00¾	.01½
Dayton	.01	.02
Demp C	.00½	.01
Denovo	.10	.12
Desantis n	.17	.20
Delpine	.06	.07

	Bid	Ask
E Lacoma	..	.01
Eastward	.35	.40
Elmos	.07	.09
Franco	.25	.35
Galore	.01	.02
Gan Cop	.05	.07
Gate Pat	.00¾	.01½
Gilbec	..	.01
Highridge	..	.11
Hoyle nw	.19½	.21
Hugh PaP	.09	.11
Hutch L	.01½	.02
Jasper	..	.14
Keora	.01	.02
Kenricia	.01½	.02½
Kewaga'a	.01½	.02½
Kiena	.01½	.03
Kirk Gate	.01	.02
Lacoma	.00¾	.01½
Laguerre	.23	.25
Lake Duf	.15	.18
Lake Gen	.13	.18
Lw Pete	.13	.16
Magnet C	.82	.87
Magnet L	.18	..
Martin B	.02	.03
Margaret	.08	.10
Mata Can	.03½	.04½

	Bid	Ask
Mata Con	.18	.21
McLellan	.22	.24
McMar'ac	.36	.38
MofHal n	.01	.02
Mooshla	.01	.02
Mosher	.06	.07
McManus	.01	.02
Nat Mal	.33	.38
New Aug	.28	.31
Nickel O	.70	..
Norbeau	.20	.25
Northland		
(1940)	.02	.04
Norwin	.04	.06
Numalake	.09	.11
Oklend	.05	.06
O'Leary	.04	.05
Ont Nick	.07½	.09
Opemiska	.03	.05
Oriole	.01	.01½
Orpit	.08	.09
Ossian	.00½	.01½
Pascalis	.35	.40
Pontiac Rouyn		
(Old)	.04	.06
Pelangio	.01½	.02
Phoenix	.01	.02½
Polaris	.07	.09
Privateer	.47	.50

	Bid	Ask
Propriе'y	3.00	3.75
Presdor	.05½	.06
Queb Mn	.10	..
Rahn Lke	.00½	.01
Rand Mal	.08	.10
Red Lake	.01	.02
Ribago n	.02½	.03½
S.A.G.A.	1.70	1.80
Sachigo	3.25	3.75
Sanshaw		
Special	..	.07
Senore	.08	.10
Shenango		
(New)	.24	.28
Sheldon	.05	.07
Skynner	.01½	.02½
Smelt's G	.00½	.01
Sunbeam	.01	.03
Springer	.20	.22
Stadacona	.09	.10
Thomson	.13	.15
Treaty Pt	.05	.07
Tundra	.28	.30
Union Mn	.03½	.04½
Wasu	.04	.08
West Red	..	.01½
Wesley	.04½	.05½
Y David'n	.26	.28

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 5, 1941

Public Utility Issues:	Int. Rate %	Due	Bid Aug. 5	Asked	Bid July 29
▲‡Alg. C. H.B.R.	5	'59	8	10	8
†Assoc. Tel. & T.	5½	'55	72	75	70½
B. C. Power	4½	'60	98	100	98½
B. C. Tel.	4½	'61	105½	107½	106
†Calgary Pwr.	5	'60	107	109	106½
Do.	5	'64	102½	..	102½
†Can. Nor. Pwr.	5	'53	102	104	102
*Dom. Gas & El.	6½	'45	103	105	103
Gatineau Pwr.	5	'49	100½	102½	100½
*Do., A	3½	'69	97	99	97
♦Do., B	3½	'69	96	98	96
Gt. Lakes Pwr.	4½	'56	99½	101½	99½
Do.,	5	'57	96½	99½	98
*Int. Hydro-E.	6	'44	53	56	54½
♦Inter. Power	6	'55	100½	102½	100½
L. St. Law Pwr.	5	'55	97	99	97
Macl'n-Que. Pr.	4	'59	97½	99½	97½
Mtl. L. H. & P.	3½	'56	100½	102½	100½
Do.,	3½	'73	98	100	97½
Do.	3½	'63	99	101	98½
†Mtl. Tramways	5	'41	95½	98½	96
†Do.	5	'55	67	70	68
Nat. Lt. & Pwr.	6	'49	101	103	101
N. S. Lt. Pr.	4	'57	100	102	100½
Ottawa L.H.&P.	4	'57	101	103	101
Ottawa V. Pwr.	5	'59	101½	103½	101½
†Power Corp.	4½	'59	93½	96½	94
Quebec Pwr.	4½	'62	100½	102½	100½
*Saguenay P., A	4½	'66	106½	108½	106½
♦Do., B	4½	'66	106	108	104
St. Maurice Pr.	4½	'70	101½	103½	101½
Shaw. W. & Pr.	4	'61	100½	102½	100½
Do.	3½	'46	100½	102½	100½
Do.	4	'69	100	102	100
Union Gas	4½	'50	102½	104½	102½
*Twin C. R. Tr.	5½	'32	66½	69½	68
†United Secs.	5½	'52	44	47	43
‡Wpg. El., ser. A	5	'65	72½	75½	..
Do., B	5	'65	51½	54½	..

Industrial and Realty Issues:	Int. Rate %	Due	Bid Aug. 5	Asked	Bid July 29
†Abitibi P. & P.	5	'53	73½	76½	74
Do., C.O.D.	5	'53	73½	76½	74
Acadia Sugar	4½	'55	102	104	102
Do.	6	'54	97	100	97
†Alta. Pa. Grain	6	'46	99½	101½	99½
Algoma Steel	5	'48	102½	104½	102½
Atlantic Sugar	4	'51	100½	102½	100½
†B. C. P. & Pap.	6	'50	85½	88½	85
†‡Do.	7	'50	110½	113½	111
*Brown Co.	5½	'46	60½	63½	60
Burns & Co.	5	'58	66½	69½	65½
Canada Bread	6	'41	100	101	100
Canada Cement	4½	'51	103	105	103
Canada Electric	4½	'65	94	97	94
Can. Paper	4½	'52	100½	102½	101½
Can. Steamships	5	'57	100	102	99½
Can. Canners	4	'51	101	103	101
*Can. Int. Paper	6	'49	104½	106½	104½
‡Can. Locomotive	6	'53	84	87	83½
‡†Candn. Vickers	6	'47	67½	70½	66½
C. P. R.	3½	'51	94	96	94
Do.	4	'49	97½	99½	98
Do	4½	'60	99	101	99½
Do.	6	'42	101½	103½	101
Col. Steamships	6	'54	96½	99½	96½
†Consol. Paper	5½	'61	70	73	70
Dom. Coal	4½	'32	101½	103½	101½
Dom. Scott. Inv.	4	'52	96	99	96
Dom. Stl. & Co.	6½	'55	106	108	105½
Dom. Tar	4½	'51	102	104	102
Dom. Woollens	6	'53	97½	100½	97½
†Donnacona P.	4½	'36	75½	78½	74½
*Dryden Pap.	6	'49	100	103	100
‡Dufferin Pav.	5	'55	56	59	56
†East. Dairies	6	'49	85½	88½	85
Famous Players	4½	'51	98	100	98
†Federal Grain	6	'48	99½	101½	99½
†Fraser Cos.	6	'50	99½	101½	99
Galt Brass	5	'50	90	..	90
Gen. Stl. Wares	4½	'52	100	102	100
*Great L. Paper	5	'55	95	98	94
*Gurney Fdry.	5½	'49	74	77	72
†Gypsum, Lime	5½	'48	100	102	99½
Ham. By-Pr., C.	5	'55	101½	103½	101½
Do.	6	'56	100	102	100
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	101½	..	101½
Indust. Accept.	4	'52	82	85	82
Ins. Ex. Bldg.	3	'51	40	43	40
*Inter. P., Nfld.	4½	'68	89	92	89
*Inv. Bond & Sh.	5	'47	42	45	42
†Kingston Elev.	6	'50	103½	105½	104
Lake St. J. P.	5½	'61	85½	88½	85½
Do.	5	'61	59	63	59½
Legare	6	'61	86	89	87
Maple Leaf M.	3	'58	74½	77½	74½
Man. Sugar	5	'60	98½	100½	98½
Massey-Harris	4½	'54	94	97	93½

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

Aug. 5, 1941

Miscellaneous Stocks:	Bid Aug. 5	Asked	Bid July 29
†Allens Tor. Th., p.	32¼	34½	32
Atlas Steel, 7% pref.	102	104	101½
Brown Co., c.	1.75	2.00	1.80
Can. Col. Airways	3.00	3.75	3.00
*Can. Gen. Rubber, pref.	26	30	26
C.P.R., pref. (£ par)	1¾	2¼	1¾
Cawthra Apts. pfd.	1¾	2¼	1¾
Colonial Realty, c.	1¾	..	1¾
Colling. Term. units	75	1.00	80
Corrug. Paper Box, c.	45	.70	30
Dover Industries	6½	7½	6½
East. Bake., p.	29	38	29½
†Ft. Wm. Hotel, units	43½	50	43½
Galt Brass, c.	8	9½	7¾
Imperial Varnish c.	8½	9½	8½
Inglis, John	3½	4	3½
Inter. Equities, units	25½	30	25
†Loew's Lond. Th., p.	2½	3½	2½
*Monarch Mtge. Inv. un.	30	50	25
Murphy Paint, com.	9	11	9
Murphy Paint units	98	99½	98
Nat. Hosiery com.	75	90	75
†N. Amer. Elev., p.	65	..	65
Reanite Corp.	3	3½	3
Second Std. Royal's p.	.02½	.03½	.02½
Third Can. Gen. Inv.	1½	2	1½
Tip Top Inc., p.	11½	13½	11½
Traders Fin. Rts.	12½	13½	12
Wentw. Radio, pref.	3½	..	3½
West Can. Hydro, p.	11	12	11
West Life. 10% p.	9	10	8½

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Aug. 5	Asked	Bid July 29
McColl-Fron.	4½	'49	102	104	102
McCormick's	4	'52	95½	98½	95½
Do.	4½	'52	103	..	103
Mercury Mills	5	'59	93½	96½	93
Mersey Paper	5	'57	96½	99½	96½
†Do.	6	'49	99½	101½	99½
*M. & O. Paper	6	'45	80½	83½	81½
Moirs Ltd.	6	'53	84	87	84
‡Mtl. Drydocks	6	'48	62	65	62
Montreal Apts.	4	'54	59½	62½	59½
Nat. Grocers	4	'47	101	..	101
N. S. Stl. Coal	3½	'63	82½	85½	82½
Price Bros.	5	'57	98½	100½	98
Do.	4	'57	84½	87½	84½
*Prov. Paper	5½	'47	105	..	105
Reliance Grain	4½	'52	95½	98½	95½
†Restigouche Co.	6	'48	99½	101½	99
Rolland Paper	4½	'31	101½	103½	101½
Ruddy, E. L.	6½	'48	100	102	100
Silv. Dairies	6	'66	92	95	90½
Simpsons Ltd.	4½	'51	101½	103½	102
Smith, Howard	4½	'51	103	105	103
Stand. Lime	6	'44	97	100	97
Sterling Coal	6	'45	97	100	97
Stop & Shop	3	'47	53	..	53
United Corp.	5	'53	87	90	86½
*United Gas	5½	'48	103½	105½	103½
United Gr. Grs.	5	'48	95½	98½	95½
†Western Grain	6	'49	63½	66½	61½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
°Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.45	2.65
Can. Amer. Trust	3.00	3.45
Can. Inter. Trust	4.25	3.0
Can. Invest. Fund	3.25	3.6
Corporate Investors	5.50	5.9

Municipal Bonds

Aug. 5, 1941

	%	Due	Bid	Ask.
†Halifax	5	1961	111.00	114.00
Hamilton	5	1950	108.25	111.25
Montreal	5	1945	93.00	95.00
Ottawa	4½	1945	103.75	106.25
†Quebec	5	1959	105.00	108.00
Saint John	5	1950	101.00	104.00
†Toronto	4½	1953	110.00	114.00
†Vancouver	5	1930	100.00	102.00
Winnipeg	5	1944	102.00	104.00

†Payable Can. and N.Y.

Annual Meetings

1941:	Company	Place
Aug. 22	McMarmac G. Mines	Toronto
Sept. 23	Mexican Lt. & Pwr.†	Toronto

†Bondholders.

Mining Dividends

	Rate	Aug. 4	%
Anglo-Huronian	▲10c	2.65	..
Aunor Gold	12c	1.85	..
Beattie Gold	16c	1.03	15.5
Bralorne	80c+40c	11.00	*10.9
Broulan Porc.	12c	.76	15.7
Buffalo Ankerite	▲20c	4.25	..
Bulolo Gold	$3	18.00	16.6
Can. Malartic	8c	.57	14.0
Cariboo Gold	16c+8c	2.35	*10.2
Central Patricia	16c+6c	1.80	*12.2
Chesterville	10c	1.50	..
Cochenour Willans	3c	.73½	..
Coniagas	▲17½c	1.05	..
Coniaurum	16c	1.32	12.2
Cons. Smelters	$1+$1.50	39.25	*6.3
Delnite	▲3c	.75	..
Dome Mines	$2	23.25	8.8
East Malartic	▲20c	2.35	..
Falconbridge	▲10c	3.55	..
Francoeur Gold	▲4c	.47	..
Goldale	‡2c	.12	..
Gold Belt	▲2c	.25	..
Grandview	▲1½c	.14½	..
Gunnar Gold	6c	.25	..
Hallnor	60c	3.95	15.2
Hard Rock	▲5c	.79	..
Hedley Mascot	8c	.50	..
Hollinger	65c+45c	12.50	*8.8
Howey Gold	▲2c	.23	..
Hudson Bay	$2	28.25	7.2
Inspiration	†2c	.30	..
Inter. Nickel, com.	$2	34.50	5.0
Island Mountain	▲8c	1.00	..
Jason	†2c	.38	..
Kerr Addison	▲22c	4.65	..
Kerr Lake	‡10c	.30	..
Kirkland Lake	10c+2c	.75	*16
Kootenay Belle	▲6c	.27	..
Lamaque Gold	40c+15c	4.50	*12.2
Lake Shore	$1.40	15.25	9.1
Leitch	8c	.48	16.6
Little Long Lac	▲10c	1.99	..
Macassa	32c+3c	3.85	*9.1
Madsen R. Lake	‡6c	.72	..
Malartic Gold	†5c	1.20	..
McGillvray Coal	‡3c+1c	.21	..
McKenzie Red L.	12c	1.09	11
Moneta	8c	.33½	..
McIntyre-Porc.	$2.22+$1.11	50.00	*6.6
MacLeod-Cockshutt	‡20c	2.00	..
Naybob Gold	4c	.24	..
Negus	†5c	.60	..
Nipissing	15c	1.30	11.5
Noranda	$4	55.00	7.2
North Empire	▲20c	4.75	..
O'Brien Gold	10c	1.12	..
Pamour Porc.	12c	1.01	11.8
Pato Cons.	20c+2c	2.55	8.6
Pend Oreille	†6c	1.70	....
Perron Gold	16c+4c	1.55	*12.9
Pioneer, B.C.	40c	2.22	18
Pickle Crow	40c	3.05	13.1
Placer Develop.	$1.20	8.50	14.1
Premier	12c	.90	13.3
Preston E. Dome	20c+10c	3.40	*8.8
Privateer Mines	▲9c+3c	.49	..
Quebec Gold	‡2c	.22	..
Relief Arlington	‡5c	.02½	..
San Antonio	14c+6c	2.45	*8.1
Sheep Creek	16c	.95	16.8
Sherritt Gordon	▲5c	.85	..
Sigma Mines	▲30c	7.35	..
Silbak Premier	16c	.85	18.8
Siscoe	▲6½c	.53	..
Sturgeon River	4c	.16	..
Sudbury Basin	▲2½c	1.63	..
Sullivan Cons.	▲5½c	.60	..
Surf Inlet	▲1c	.12	..
Sylvanite Gold	28c	2.85	..
Teck-Hughes	40c+5c	2.75	*16.4
Toburn	12c+5c	1.65	*9.6
Upper Canada	▲11c	1.88	..
Ventures	▲10c	4.45	..
Waite Amulet	10c	4.60	..
Wendigo	3c	.23½	..
Wright-Harg.	40c+30c	4.00	*17.7
Ymir Yankee	2c	.05	..

*Yield including bonus. †Initial. ‡Paid in 1940. ▲Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	40c	Sept. 2	Aug. 15
Do., extra	20c	Sept. 2	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Aluminium	$2	Sept. 5	Aug. 15
Do., pref.	†$1.50	Sept. 1	Aug. 8
Amal. Elec.	■25c	Aug. 30	Aug. 15
Assoc. Tel. 7% pf.	†56c	Aug. 15	Aug. 1
Do., $6 pref.	†48c	Aug. 15	Aug. 1
Aunor Gold	4c	Sept. 3	Aug. 15
Bk. Can. Nat.	$2	Sept. 2	Aug. 15
Bk. of Montreal	$2	Sept. 2	July 31
Bk. of Toronto	$2.50	Sept. 2	Aug 15
Bathurst P. & P., A	25c	Sept. 1	Aug. 15
Bertram & Sons	15c	Aug. 15	Aug. 1
Borden's	30c	Sept. 2	Aug. 15
Can. Wire & C., A	$1	Sept. 15	Aug. 31
Do., B	50c	Sept. 15	Aug. 31
Do., pref.	$1.62½	Sept. 15	Aug. 31
Canadian Oil, c.	12½	Aug. 15	Aug. 1
Do., extra	12½	Aug. 15	Aug. 1
Canadian Oil, pf.	$2	Oct. 1	Sept. 20
Candn. Oil Cos.	$2	Oct. 11	Sept. 20
Commoil	1c	Aug. 29	Aug. 15
Chesterville L.	5c	Aug. 20	Aug. 5
Cosmos Imp.	30c	Aug. 15	July 31
Can. Breweries, pf.	75c	Oct. 1	Sept. 13
Corr. Paper Box, p.	$1.75	Sept. 2	Aug. 15
Can. For. Inv., pf.	■$2	Oct. 1	Sept. 15
Can. Int. Inv. Tr., p.	50c	Sept. 2	Aug. 15
Canada Starch, c.	50c	Sept. 15	Sept. 8
Can. & D. Sugar	■37½c	Sept. 2	Aug. 15
Crown Cork	50c	Aug. 15	Aug. 8
Corporate Inv.	5c	Aug. 15	July 30
Do., extra	3c	Aug. 15	July 30
Dom. Bridge	30c	Aug. 25	July 31
Dom.&Ang. Inv. p	$1.25	Sept. 1	Aug. 15
Dom. Scott. Inv., pf	■50c	Sept. 1	Aug. 20
East Malartic	■10c	Aug. 30	Aug. 1
Francoeur Gold	4c	Aug 29	Aug. 14
Gen. Stl. Wares, p.	$1.75	Aug. 20	Aug. 8
Granby Cons.	†15c	Sept. 2	Aug. 15
Hollinger Cons.	5c	Aug. 12	July 29
Do., extra	5c	Aug. 12	July 29
Grandview Mines	†1c	Aug. 10	July 15
Hedley Mascot	2c	Aug. 15	July 24
Int. Nickel	†50c	Sept. 30	Sept. 2
Lake of W. Mill., p.	$1.75	Sept. 2	Aug. 16
Loblaw, A. B.	25c	Sept. 2	Aug. 11
Louisiana Land	†10c	Sept. 15	Sept. 2
Laura Secord	20c	Sept. 1	Aug. 15
Kerr-Addison	5c	Aug. 28	Aug. 7
Leitch Gold	2c	Aug. 15	July 31
McIntyre Porc.	55½c	Sept. 2	Aug. 1
McKenzie Red L.	3c	Sept. 15	Aug. 30
Montreal Loan	31¼c	Sept. 15	Aug. 31
Nat. Biscuit, c.	†40c	Oct. 15	Sept. 16
Do., pref.	†$1.75	Aug. 30	Aug. 15
Ont. Steel Prod.	50c	Aug. 15	Aug. 5
Do., pref.	$1.75	Aug. 15	Aug. 5
Photo Engravers	50c	Sept. 2	Aug. 15
Perron Gold	■4c	Sept. 22	Aug. 30
Do., extra	■1c	Sept. 22	Aug. 30
Privateer Mine	3c	Aug. 10	July 25
Do., extra	1c	Aug. 10	July 25
Penmans	75c	Aug. 15	Aug. 5
Prov. Transport	20c	Aug. 15	Aug. 5
Paton Mfg.	50c	Sept. 15	Aug. 31
Do., pref.	$1.75	Sept. 15	Aug. 31
Quinte Milk	10c	Aug 1	....
Do, bonus	5c	Aug 1	....
Quebec Power	25c	Aug. 25	July 22
Remington Rand	†20c	Oct. 1	Sept. 10
Do., pref.	†$1.12½	Oct. 1	Sept. 10
Royal Bank	$2	Sept. 2	July 31
Rolland Paper	15c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 2	Aug. 15
Reliance Grain, p	$1.62½	Sept. 15	Aug. 31
Stuart, D. A. Oil, p	20c	Sept. 1	Aug. 15
South Can. Pwr.	■20c	Aug. 15	July 31
Shaw. W. & Pr.	23c	Aug. 25	July 24
Siscoe Gold	2c	Sept. 15	Aug. 16
Toburn Gold	3c	Aug. 22	July 22
Do., extra	1c	Aug. 22	July 22
Upper Can. Mines	4c	Aug 30	Aug. 15
Union Gas	20c	Sept. 15	Aug. 20
United Fuel, p.	75c	Oct. 1	Sept. 20
United Corp. A	38c	Aug. 15	July 31
Walker-Good.	$1	Sept. 15	Aug. 22
Do., pref.	25c	Sept. 15	Aug. 22
Willson Stat., pfd.	$1.25	Oct. 15	Sept. 30
York Knitting	20c	Aug. 15	Aug. 8
Do., 1st pfd.	$3.50	Aug. 15	Aug. 8
Do., 2nd pfd.	$3.50	Aug. 15	Aug. 8

†Payable in U. S. funds.
■Subject to approval of Foreign Exchange Control Board.

Canadian Rails Gain in U. S.

From Our Own Correspondent

MONTREAL.—Lines of Canadian railway companies and affiliates in the United States reflect a marked upward movement of rail traffic in the current year.

Canadian National lines in New England reports a deficit of $189,787 in the first five months of the year, according to the Association of American Railroads. This compares with net operating deficit of $279,458 in the same period last year.

Net operating income of Canadian Pacific lines in Maine increased to $654,667 during the five months from $463,727 in the same period last year. Lines of C. P. R. in Vermont showed net operating deficit of $169,309, against net deficit of $191,581.

Duluth, South Shore & Atlantic net operating income increased to $137,799 from $22,275. C. P. R.'s Soo Line reported $986,854 for five months, against $491,132, while Spokane International showed net operating income of $35,778, compared with $11,904.

Commodities

Advance in Coffee Meets Opposition

Importers Seek Moderation of Rise in Brazil's Minimum Price

Commodity markets have become highly irregular, no definite trend being noticeable in either the agricultural or the industrial group. For instance in the former, hog prices were higher while wheat and cattle quotations eased slightly. Among the industrial commodities, cotton prices declined, while rubber and silk were unchanged.

Coffee was a strong feature of the markets, reflecting an advance in Brazilian minimum prices. Coffee importers have been disputing the advance, which they claim is unwarranted. Meetings are being held in New York to attempt a compromise.

Of four spot price indices, two were lower, two higher. Dow Jones future index was down slightly.

	Latest week	Previous week	Same week last yr.
Cattle	$9.25	$9.35	$9.00
Hogs	15.00	14.90	11.75
Copper, lb.	.12	.12	.11⅜
Cotton, lb.	.1760	.1791	.1016
Rubber, lb.	.2300	.2300	.20¾
Silk, lb.	3.57	3.57	2.52
Sugar, raw, lb.	.0365	.0355	.0263
Wheat, Man. (bu.)	.72⅞	.73⅞	.71¾
Coffee, lb.	.1338	.1250	.0678
Hides	.15	.15	.11¼
Weekly Indices			
Canada (D.B.S.)	91.1	91.2	82.7
Do., Wood, Gundy	74.8	75.3	64.1
U. S. Labor	88.8	88.3	77.3
Dow Jones (future)	76.64	76.83	50.74
Fishers	96.5	95.9	81.2
Monthly Indices			
Canada (D.B.S.):			
Retail (June)*	110.5	109.4	104.9
W'sale (June)	90.0	88.5	81.6
U. S. (May)	84.9	83.2	78.4
Gt. Brit. (Apr.)	150.9	151.0	....

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Raw Kans. No. 1 coffee, Santos. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 216

NOTICE is hereby given that a dividend of two per cent (being at the rate of eight per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the second day of September next, to shareholders of record at the close of business on the 31st day of July, 1941.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., July 15, 1941.

Borden's

COMMON DIVIDEND
No. 126

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable September 2, 1941, to stockholders of record at the close of business August 15, 1941. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

RELIANCE GRAIN COMPANY LIMITED

6½% CUMULATIVE PREFERRED STOCK

A DIVIDEND of one and five-eighths per cent (1⅝%) per share, being the dividend for the quarter ending August 31, 1941, has been declared and authorized to be paid on September 15, 1941, to all preference shareholders of record with the transfer agents of the Company at the close of business on August 31, 1941.

By order of the Board,
A. W. GIBB, Secretary.

Winnipeg, July 11, 1941.

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of two per cent 2% (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of August 1941. This dividend, bearing the number 202, will be payable at the Main Office or at the branches of the Bank, on or after the 2nd day of September, 1941, to the shareholders of record on August 15th.

By order of the Board,
CHARLES ST-PIERRE,
General Manager.

Amalgamated Electric Corporation Limited

INTERIM DIVIDEND

Notice is hereby given that an interim dividend of Twenty-five cents per share has been declared on the outstanding shares without nominal or par value of the capital stock of the company, such dividend to be payable on August 30th, 1941, to shareholders of record at the close of business on August 15th, 1941.

By order of the Board.
WILLIAM CARSWELL,
Secretary.

Dated at Montreal, P.Q., July 30, 1941.

WILL BUY
Kingston Ship-building Units, 31. Bid
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

Tax Removal Is Regarded Logical Step

Will Help Compensate Millers For Low Feed Export

From Our Own Correspondent

WINNIPEG. — Removal of the processing tax of 15 cents a bushel on wheat came as a surprise in grain circles, although it was the logical step to follow the recent regulation of millfeed prices.

When the tax was introduced, Government determination was expressed to prevent it from increasing the price of bread. While bakers have been under the impression that the burden was resting mainly upon them, millers were actually able to absorb a portion of it through increases in the price of fast-selling millfeeds. When millers were compelled to reduce the price of such feeds, and in addition had a profitable export market in the United States largely shut off, it was natural to expect some compensation and removal of the processive tax is so regarded.

Subsidy Angle

Proceeds of the tax were payable to the Canadian Wheat Board. At its inception it was regarded as assisting producers by providing additional revenue which might become payable to them in due course on the final liquidation of the wheat delivered to the Wheat Board in any crop year. Alternatively, if a credit balance on Wheat Board operations was not deemed to be likely, the processing tax was regarded as justifying a larger initial payment on deliveries to the Board than would otherwise be practicable.

Earlier this year there were numerous suggestions from western farmers' organizations that a larger processing tax, perhaps 50 cents a bushel, might be imposed, in order that the initial payment might be increased from the 70-cent basis now effective. Since an increase in initial price was not obtained, and since prospects do not encourage the idea that subsequent payments on wheat handled by the Board are likely, abolition of the processing tax will probably be regarded with indifference by western farmers.

Farmers Uninterested

Once the initial payment for the year had been established, the processing tax assumed the nature, not of an additional source of income for wheat producers, but of a tax for the benefit of the Dominion Treasury which would reduce the cost of operation of the Wheat Board to the Dominion Government. And, as farmers themselves pay a considerable part of the tax, in respect to the flour which they consume, they are likely to regard its abolition as representing a saving, instead of a loss.

A factor, undetermined as yet, in the attitude of farmers toward the processing tax will be the course of open market prices during the current crop year. The only farmers who have a potential interest in the proceeds of the processing tax are those who deliver their wheat to the Board. Those who sell on the open market are indifferent to it, and the majority of farmers will so sell if open-market prices are slightly higher than the Wheat Board basis. At present, most of the buying which takes place on the open market is for account of the Canadian mills, for flour for domestic consumption. The mills have been getting their wheat there, instead of from the Canadian Wheat Board. Opponents of the tax might have found an inconsistency, although no one appears to have put forward this idea, in levying a tax for the benefit of Wheat Board operations on just that portion of the crop which was not handled by the Board.

For baking industry's reaction to removal of wheat processing tax see page 3.

Aluminum Co. Plant Operates

Power Being Delivered to Arvida. Negotiate With Strikers

From Our Own Correspondent

MONTREAL.—Indications are that curtailment of production at the Arvida plant of Aluminum Co. of Canada is probably not as serious as was at first supposed. As power is still being delivered to the plant in a fairly substantial block, it is assumed that all facilities were not closed down by the three-day strike.

There is no definite word yet as to what brought about the unexpected strike at the big aluminum plant. Over the past week conferences have been going on between the company and the National Catholic Syndicate of Aluminum Workers, which was chosen by the men to represent their case. To date Department of Labor officials have not intervened in the dispute.

The workers struck for higher wages and better working conditions. No demands were made upon the company prior to the strike, nor has any information been made public since as to what the men wanted.

There has been no request for a conciliation board.

Denial of Sabotage

Minister of Munitions and Supply Howe's claim that the strike represented sabotage has been vigorously denied by union officials. Gerard Picard, secretary of the National Federation of Catholic Workers, has asked Mr. Howe to produce proof of sabotage. A similar stand has been taken by Alfred Charpentier, chairman of the organization.

DIVIDEND NOTICES

McKenzie Red Lake Gold Mines Limited

(No Personal Liability)
DIVIDEND NO. 19

Notice is hereby given that a quarterly dividend amounting to three cents per share for the third quarter of 1941, has been declared payable September 15th, 1941, to shareholders of record at the close of business August 30th, 1941.

By order of the Board.
H. M. ANDERSON,
Secretary-Treasurer.

Toronto, Ontario, August 5th, 1941.

Flour Output Rises Sharply

Production For Year Ended July 31 Expected to be Better

From Our Own Correspondent

MONTREAL. — Substantial increase in wheat flour production in the year ended July 31 is indicated by the latest production figures of Dominion Bureau of Statistics.

As anticipated June production rose sharply over the same month last year. Output totalled 2.1 million bbls., compared with 1.2 million bbls. in June, 1940. In the 11 months ended June 30, production totalled 17.5 million bbls., compared with 16.5 million bbls. in the corresponding period of the preceding year.

Exports to U. K. Rise

The large June increase was expected in view of a sharp increase in exports to the United Kingdom. Shipments for the month totalled 1.8 million bbls., compared with 1.3 million bbls. in June, 1940. April, May and June exports to the U. K. were well up and boosted exports for the 11 months to 8.4 million bbls. from 6.5 million bbls. in the same period of the previous year.

Majority of milling companies end their financial year in July and August. As a result of the production increase, it is expected earnings, before taxation, will generally be better than last year.

Wheat Flour Production

	1941-40 bbls.	1940-39 bbls.
July	....	1,122,975
June	2,117,976	1,170,238
May	2,121,397	1,282,906
April	1,661,000	1,344,293
March	1,477,000	1,257,034
Feb.	1,462,187	1,246,798
Jan.	1,177,369	1,266,303
Dec.	1,076,132	1,559,996
Nov.	1,588,428	1,960,429
Oct.	1,872,514	2,089,562
Sept.	1,635,489	1,927,102
Aug.	1,291,451	1,382,152
11 months	17,480,943	16,486,823

Dominion Tar At Capacity

Earnings Outlook for Current Year is Excellent

From Our Own Correspondent

MONTREAL.—With all divisions working at capacity, Dominion Tar & Chemical Co. now has on hand sufficient orders to maintain operations for the remainder of the year.

Earnings are on a higher level than in the same period last year, The Financial Post is officially informed. Subject to unforeseen developments, it appears almost certain the current year will be more satisfactory than 1940.

In the latter year net profit amounted to $587,240, compared with $629,595 in 1939. Income tax deductions totalled $714,198 in the past year, against $295,348 in 1939. Earnings on the common stock amounted to 79 cents and 90 cents, respectively, a share.

To Make New Chemical

The company supplies numerous chemicals directly and indirectly concerned with the war effort. Normal production has been stimulated by generally better business conditions.

To meet demand, a programme of expansion is being undertaken in numerous plants. A new phthalic anhydride plant is being constructed in Toronto, and will be in operation by the end of September. This will be the first time the chemical has been made in Canada. Any output above government requirements will be used for commercial purposes.

The organization is also the sole Canadian manufacturer of the so-called coal tar acids, phenol, cresol and cresylic acid. Demand on the division manufacturing these chemicals consequently has been very heavy.

European markets have been lost since the war, but the loss has been more than compensated for by demand from other sources.

Operating Costs Rise

All sources of supply of raw materials are assured and no difficulty is anticipated by the company in meeting commitments. Cost of operations has risen, chiefly because of higher labor charges. Raw material costs have advanced moderately.

The company is gradually consolidating operations of its numerous subsidiary organizations with the parent company. Only a small minority interest exists in the subsidiaries.

National Steel Talks Started

Union Meets Government Officials After Strike Terminated

Negotiations between government and union officials are being conducted at the Hamilton plant of National Steel Car Corp.

Representatives of the Steel Workers' Organizing Committee, chief conciliation officer of the Dominion Department of Labor, director-general of labor relations in the Department of Munitions and Supply, and E. J. Brunning, government controller at the plant, are attempting to reach a solution to long standing differences over wages, hours and working conditions.

Audience with King

Calling of the conference followed an audience of the union leaders with Prime Minister Mackenzie King and Hon. Norman McLarty, Minister of Labor, at Ottawa. The union representatives were promised an immediate hearing of workers' grievances when the strike was terminated.

The strike marked the second time since last April production of the vital war plant has been thrown out of gear by a labor walk-out.

Week in Wheat

Market Price Stronger As Crop Year Opens

Levels Well Above Government Minimums — Farmers May Sell Freely on Open Market But Testing Time Still Ahead

From Our Own Correspondent

WINNIPEG.—The new crop year has commenced with open market prices several cents above the Wheat Board minimum basis of 70 cents a bushel. Farmers who care to sell their wheat in advance for October delivery have been able to assure themselves of a still wider margin.

It will be highly interesting to see whether the market is able to sustain itself at such levels. Presumably this would result in the great majority of farmers selling their new crop wheat on the open market instead of delivering it to the Wheat Board.

The testing time, however, has not yet arrived and will not until farm deliveries pick up volume. There is little new crop yet being marketed and deliveries of old crop slowed down immediately after the close of the 1940-41 crop year at the end of July. Then the accumulated storage charges due farmers were removed, so any wheat that was planned to be delivered about this time was rushed to market prior to July 31.

Buying Policy

Buying for account of Great Britain has not been going through the open market, but has been arranged directly with the Canadian Wheat Board. On the other hand it seemed to be the case during the greater part of the past crop year that the Canadian Wheat Board was not selling on the open market, but was leaving the Canadian mills to fill their requirements by bidding high enough on the open market to persuade farmers to sell instead of delivering to the Board.

If such a policy should be continued during the present year and the whole volume of Canadian mill purchases were to be available against sales of new crop wheat by farmers, it would represent less than one quarter of the quantity of wheat which farmers are expected to market. However, farmer deliveries will of necessity be distributed fairly evenly throughout the crop year, while domestic sales of flour and consequent mill buying might at times be much more concentrated.

It may happen that farmers will become a factor in the market, to a greater extent than they have been for some time, by withholding sales in the hope of better returns at some future date. In addition there are some signs of a revival of trading interest in wheat, reflected from Chicago by spreading transactions between that market and Winnipeg. It is also possible to suppose that some buying of wheat on Russian account might come into the market at Winnipeg.

Announce Spreads

The Canadian Wheat Board has announced new crop initial prices on a number of grades of wheat in addition to No. 1 Northern, on which the basis of 70 cents a bushel is statutory. Spread on No. 3 has been narrowed by one cent per bushel, and on durum grades by two and three cents. Announcement of spreads on other grades will presumably await more definite information as to the probable grading of the crop.

During the past year the market spreads on lower grades of wheat were extraordinarily narrow, much narrower than those of the Wheat Board. That was due to the comparative scarcity of such grades, along with the fact that it was possible to export all available 5 and 6 wheat to the United States, under the specially low rates of duty applicable to feed wheat.

• • •

Good Barley Price

The prevailing barley market, in the neighborhood of 50 cents a bushel, is an extremely satisfactory one to those farmers, mainly in Manitoba, who have prospects of harvesting a good yield. This good barley price is attributed to the strong demand for feed grains for hogs plus small crops in most parts of Canada this year.

Present hog prices are regarded as remunerative by western farmers, both absolutely and in relation to the present prices of feed grains. In consequence many of them will find themselves under no temptation to sell feed grains unless even higher prices are registered in the market, or unless there is some break, not now anticipated, in the price of hogs.

Company Reports

Canada Dry

Canada Dry Ginger Ale, Inc., reports net profits for the three months ended June 30, 1941, equivalent to 73 cents a share compared with 56 cents a share for the corresponding quarter of 1940. For the nine months ended June 30, first three quarters of the company's year, net profits are equivalent to $1.89 a share on the common this year against $1.25 a share for the 1940 period.

Consol. Income Account
Three Months Ended June 30

	1941 $	1940 $
Net sales	6,446,116	4,908,615
Less: Costs & exps.	5,645,889	4,475,857
Operating profit	800,227	432,758
Add: Other income	1,660	9,706
Less: Inc. deductions	5,182	1,309
Income & E. P. tax.	347,669	97,595
Net profit	449,036	343,560

Nine Months Ended June 30

	1941 $	1940 $
Net sales	16,391,446	13,365,611
Less: Costs & exps.	14,623,880	12,443,623
Oper. profit	1,767,566	921,988
Add: Other income	6,053	53,612
Less: Income deduct.	21,726	4,570
Income & E. P. tax.	586,010	199,773
Net profit	1,165,883	771,257

Acadia Apartments

Acadia Apartments Ltd., Montreal, reports that for the year ended Apr. 30, 1941, revenue from rentals amounted to $82,230, an increase over the previous year of $2,742. Operating expenses were reduced by $1,257 to $56,928, leaving a net revenue of $20,302. This compares with $21,301 in 1940. After payment of bond interest in full, and providing $11,276 for depreciation, there was a loss of $4,761 on the year's operations. This compares with a deficit of $2,499 in the previous year, when a half year's interest was paid on the bonds.

The balance sheet as at Apr. 30 last shows no major change. During the year the special reserve fund, created in lieu of a sinking fund, was set up, an amount of $6,514 being credited to it.

Particulars of the income and surplus account follow:

Income and Surplus Account
Years Ended April 30

	1941 $	1940 $
Gross revenue	82,230	79,488
Less: Expenses	56,928	58,186
Net income	25,302	21,302
Less: Bond interest	18,787	12,525
Depreciation	*11,277	*11,276
Loss for year	4,761	2,499

*50% normal provision.

Pacific Mills

Pacific Mills, Ltd., Canadian operating subsidiary of the Crown Zellerbach Corp., producing newsprint, pulp and various paper lines at Ocean Falls, B.C., and Vancouver, reports earnings in the year ended Apr. 30, 1941, of $847,313 in U.S. funds.

This is after deducting minority shareholders' portion, and compares with $920,924 in the preceding year.

Although 70.25% of the net profits from Canadian operations and 30.79% of the net profits from U.S. operations were absorbed by taxes, Crown Zellerbach reported its highest consolidated net profit on record, exceeding that for the previous year by about 9%.

Boeing of Canada

Boeing Aircraft of Canada, operating plants at Vancouver and nearby Sea Island, reports gross sales amounting to $635,896 in the year ended May 31, 1941, and gross profit of $28,787. These figures do not include the large contracts placed with the company by the Canadian Government for PBY flying boats, construction of which has already begun.

Net profit on last year's operations are given as $13,787.

Boeing Aircraft Co. of Seattle, parent company, reports net income of $3.7 millions, and net profit of $2.4 millions.

Slowdown Hits N.S. Coal Output

From Our Own Correspondent

MONTREAL. — Curtailment of production by miners in the Cape Breton collieries is reflected in the output of Dominion Coal Co. for July. Production totalled 326,932 tons, as against 413,405 tons in the same month last year.

For the first seven months in 1941 the company reports an output of 2,621,035 tons. This represents a decrease of 231,318 tons from the total for the comparable period of 1940.

Electrolux Defers Dividend Action

Action on dividend disbursements has been deferred by directors of Electrolux Corporation for 30 days "owing to uncertainty as to rate of production which would be permitted in the immediate future."

The company has paid two dividends in the current year of 20 cents each, paid March 15 and June 16. Four payments, totalling $1.10, were made in 1940.

Gross Railway Earnings At 12-year Record

Combined gross earnings of Canadian Pacific Railway Co. and Canadian National Railways in the first seven months of the current year reached the highest level for this period since 1929. Totalling $286.6 millions, they were up $60 millions, or 26.4% over the first seven months last year. In the same period of 1929, combined gross earnings aggregated $301.6 millions.

Both companies reported sharp increases in gross earnings during the period, with Canadian Pacific Railway Co. showing a higher percentage betterment.

Southern Canada Power Extending Line System

Southern Canada Power Co. is to pass the plans with the Minister of Public Works at Ottawa covering construction of an electric power transmission line over the Yamaska River near the village of St. Cesaire. The company intends to proceed with this work following the usual 30-day notice.

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Wheat Prices

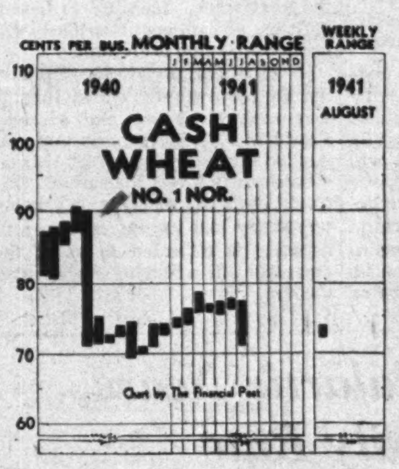

Chart by The Financial Post

Cash Quotations

	For Week Aug. 4 High	For Week Aug. 4 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.73⅛	.72⅛	.75⅞	.73⅞
1 Nor.	.73⅛	.72⅛	.75⅞	.73⅞
2 Nor.	.70⅝	.69⅝	.73¼	.71¼
3 Nor.	.68⅛	.67¼	.71	.68⅞
4 Nor.	.67⅛	.65⅝	.70⅛	.68
5 Wheat	.68⅛	.66⅞	.72⅞	.68¾
6 Wheat	.68⅛	.66⅞	.71⅞	.67¾
Feed	.67⅛	.65½	.60⅞	.58¾
Oats				
2 C. W.	.43	.38⅝	.41	.40⅛
3 C. W.	.40	.35⅝	.38	.37⅛
Barley:				
1 Feed	.49⅝	.46⅛	.52⅛	.49⅛
2 Feed	.46⅞	.45⅛	.50⅛	.47⅛
Flax:				
1 C. W.	1.50¼	1.41½	1.57¼	1.51
2 C. W.	1.46¼	1.36½	1.53¼	1.47
Rye:				
2 C. W.	.55⅛	.52⅝	.54¼	.53⅛

Winnipeg Grain Futures

Week to Aug. 4, 1941

Crop year from Aug. 1, 1940 High	Crop year from Aug. 1, 1940 Low		Open July 29	High for week	Low for week	Close Aug. 4	Close year ago
		Wheat					
.81⅝	.71⅜	July	.73¾	.73¾	.72½	.72½	.71⅜
.79⅜	.73⅝	Oct.	.75⅞	.76	.73⅝	.74½	.73⅝
.80½	.75⅝	Dec.	.76⅞	.76⅞	.75⅝	.76⅛	.74⅝
		Oats					
.43	.29½	July	.40⅛	.43	.39	.39	.29⅛
.39	.30¾	Oct.	.37⅝	.39	.37⅝	.38⅞	.29⅛
.36½	.33	Dec.	.35⅝	.36¼	.35⅛	.36	.27¼
		Barley					
.57½	.39⅞	July	.52¼	.53⅞	.48½	.48¾	.34½
.50⅝	.41⅞	Oct.	.49½	.50⅝	.47⅞	.48⅝	.34⅛
.48	.48¼	Dec.	.47¾	.48¼	.46⅛	.47⅛	.34⅝
		Flax					
1.92⅝	1.29½	July	1.50	1.52	1.46½	1.47	1.33
1.79¾	1.40¼	Oct.	1.43⅝	1.46	1.40¼	1.40½	1.33
1.53¼	1.40½	Dec.	1.43	1.45½	1.40½	1.40½	....
		Rye					
.64⅛	.47⅞	July	.54¼	.55⅞	.54	.54	.44½
.61⅝	.50⅛	Oct.	.55⅝	.57¼	.53⅝	.54½	.44¼
.58	.53¼	Dec.	.57⅛	.57⅝	.54⅝	.55⅛	.45¼

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Week in Mining

Iron Stealing Spotlight In 1941 Metals Search

Investigation of Numerous Canadian Iron Ore Deposits Gets Underway Following Metals Controller Request — Iron Short in States Now

There are various signs that attention of Canadian mining interests is being diverted to finding of iron ore in Canada. Since the Metals Controller some time ago asked Canadian mining companies to be on the lookout for iron properties, investigation of numerous deposits has been started. The Ventures-controlled Frobisher Exploration Co., for instance, has started investigation of three—the Josephine property in Michipicoten, an iron prospect near Addi and North Lakes, west of Port Arthur, and the old Bessemer mine, north of Belleville, southeastern Ontario.

From Cochrane comes word that two representatives of steel companies in the United States have gone north to the Belcher Islands and the northern wastes on the west side of James Bay, both potential sources of iron ore. Undoubtedly increased need for iron ore has also been a factor in speeding progress in current negotiations for bringing the Steep Rock iron deposits into production.

Iron Under Priorities

Shortage of pig iron in the United States last week resulted in the product being placed under priority control of the OPM. The indicated shortage in pig iron for 1942 will range above five million short tons, according to data of the OPM Bureau of Research and Statistics.

Production of pig iron this year is estimated at about 57.1 million tons, while total demand of 62 million tons is indicated. A total of 11,390,485 long tons of iron ore was moved on the Great Lakes in July, setting a new record compared with a movement of 10,534,431 long tons in July last year.

* * *

Canadian Magnesia

Production of magnesia — from which magnesium can be obtained—will be starting soon from brucite deposits north of Ottawa. It represents culmination of much patient research by the Mines Branch at Ottawa.

Magnesium has been in the limelight since the outbreak of war and magnesia has shared the limelight with it. As brucite contains 69% magnesium, it was natural that research workers should concentrate on that mineral as a new source of the metal. Solution of the problem meant that Canadian brucite deposits could be placed in production.

Only magnesia is to be produced at present but it is quite possible that production of magnesium will be undertaken later if the need is great enough. Magnesia, in any case, is an important refractory material and of strategic importance in its own right.

* * *

Stadacona in Courts

New developments are looming in the complicated affairs of Stadacona Rouyn Mines, in liquidation. According to an announcement of the liquidator, validity of the company's notes is to be brought before the court this fall to secure a ruling. According to some legal opinion, the liquidator is not bound by the apparent responsibilities attaching to the notes. With this interpretation and with the unanimous recommendation of the inspectors, it was accordingly decided to seek a court ruling on the point.

While the position of the noteholders is being decided, the status of the shareholders is to be carefully studied and a complete report will be prepared. The liquidator reports that operations at the mine are being continued and are satisfactory. Production has not only been maintained but substantially improved. Underground development is being extended, and important repairs are being made in the mill.

* * *

Replace Laboratory?

While no definite plans have been laid for replacing the provincially-owned Temiskaming Testing Laboratory at Cobalt which was destroyed by fire some days ago, an active move is afoot to have the plant restored.

Latest developments include a petition by the leasees of the Cobalt camp and an interview with H. C. Ricaby, of the Ontario Department of Mines, by members of the Cobalt town and Coleman twp. councils. The importance of the T.T.L. work in connection with operations in the Cobalt area was stressed by these bodies.

While the Temiskaming Testing Laboratory plant is out of action, its work is being carried on at premises of Cobalt Products on the old Colonial property. Arrangements for storing of ore have also been made there.

* * *

Ontario Mines Hit Peak

While production of Ontario gold mines in June was slightly lower than in May, a new record for gold production by Ontario gold mines was set in the first six months of this year, according to a statement of Hon. Robert Laurier, Ontario Minister of Mines.

Although there was one day less in the first half of 1941 (1940 was a leap year), gold mines treated 6.39% more ore, produced 0.91% more gold—and with a 0.87% greater value than was produced in the first half of 1940.

Altogether 1,577,902 oz. of gold were recovered from 6,127,351 tons of ore in the first half of this year against 1,562,158 oz. from 5,758,170 tons in the corresponding period of 1940. While tendency has been toward treatment of a lower grade of ore, this was reversed in June with grade jumping to $9.94 from $9.73 in May.

* * *

Hard Rock's Increase

Among the mines that will soon be producing at a higher rate is Hard Rock Gold Mines which expects to have its mill addition for treatment of quartz ores in operation within the next week. Inability to obtain delivery of equipment seriously delayed completion for a time.

Grade of ore going to the mill during the three months ended June 30 was somewhat below the average, President T. H. Rea reports, and production for the period of $255,126 was consequently lower than usual. This condition is looked on as only being temporary and the increase in mill capacity is expected to assist the company in achieving higher production.

Canadian Malartic Nears 1,000 ton Daily Rate

From Our Own Correspondent

MALARTIC. — With construction well advanced on the increase in milling capacity from 750 to 1,000 tons daily at Canadian Malartic Gold Mines, milling at the higher rate is expected around the end of September.

The Canadian Malartic mill buildings were so designed that a new building has not been required to house additional capacity. Foundations for extra equipment have now been installed and a new ball mill, classifiers and filters, are now being put in place.

Mine Well Ahead

Extensive development the last few years has placed the mine in a position where it can maintain production over an extended period. Proved ore reserves are sufficient to maintain milling at a 1,000-ton rate for a period of five years. Geologically there are good chances for recurrence of ore bodies of the "708" type as work proceeds to still greater depths.

No. 2 inclined shaft has been deepened to 1,200 ft. and a loading pocket is being cut below the 9th level at the 1,125-ft. horizon. On the latter a main haulage way has been driven to the winze which is sunk from the 875-ft. level to the 1,125-ft. level with an intermediate level established at the 1,000-ft. horizon. Development of the No. 708 ore body is proceeding on the 8th and 9th levels from the winze. This flat-lying structure located below the 7th level has an east-west extension of 750 ft. and a north-south width of 500 ft. It is estimated to contain 745,000 tons of 0.132 oz. grade ore.

Crosscutting to the south on the 875-ft. level has been carried 500 ft. from the 708 ore body for diamond drilling of the south dipping porphyry-greywacke contact at depth. Drilling is now proceeding.

The east ore bodies in the No. 3 shaft area, above the 750-ft. level, have now been prepared for stoping. There are 370,000 tons of 0.153 oz. grade blocked out above the 750-ft. level. Stoping will be under way there in the latter part of the year.

Operating profit in the first quarter was $127,802, and $114,819 in the second quarter. With the increase in milling capacity going into effect, operating profit is expected to mount to $150,000 a quarter before taxation and write-offs.

God's Lake Shows Higher Profits

An increase in net operating profit to $52,717 in the second quarter of 1941 was experienced by God's Lake Gold Mines as against $43,736 in the preceding three months.

The increase in operating profits resulted from lower operating costs as production showed a decline to $219,003 in the second quarter from the $224,718 of the first quarter. Operating costs were lower due to completion of the No. 2 shaft to its objective of 1,887 ft. around the end of last May. Officials realize that the prospect of an advance in ordinary operating costs must be faced with taxes, the costs of supplies and labor on the uptrend.

Lateral development is now going forward on the seventh, eighth and twelfth levels from No. 2 shaft. On the seventh level, the tuff beds in which all ore at the mine to date has been found have been reached in the north crosscut and drifting east and west is proceeding. The south crosscut on this level is out 92 ft.

Bonetal Opens Ore in Drifting

Length of 130 ft. With Ore Width of 10 ft. Now Showing

Following intersection of the No. 1 or more southerly ore zone in the 275-ft. level crosscut at Bonetal Gold Mines, drifting has been carried on the zone for a length of 130 ft. indicating an ore width of approximately 10 ft. For a length of 70 ft., for which assays are available, chip samples have averaged 0.25 oz. cut grade and muck samples 0.15 oz. over an average drift width of 7.5 ft.

Muck samples included a considerable amount of dilution due to waste which was broken with the ore in slashing to allow for laying of track at the turn off from the crosscut to the drift. The east face is now about 125 ft. from the east boundary.

This No. 1 ore zone, located in the sediments, appears to be an extension of the Hallnor zone, and consists of quartz veining in fractured sediments, of a type similar to the Hallnor and Broulan occurrences. Diamond drillings from the surface indicated ore values in this zone over a length of 640 ft.

Plan Further Testing

Besides intersecting the No. 1 ore zone, the 275-ft. level crosscut showed other interesting values which it is planned to explore later. The most important of these was a zone 80 ft. north of the No. 1 zone where muck samples returned an average of 0.11 oz. gold over a width of 17.8 ft. and chip samples 0.28 oz. over a width of 20 ft. This zone is to be explored later by diamond drilling from the drift on the No. 1 ore zone.

The No. 1 zone was located after about 430 ft. of crosscutting south from the shaft. The 512-ft. level crosscut to the No. 1 zone has about 100 ft. to go from the present face to reach the No 1 zone, it is estimated, with 338 ft. of crosscutting so far completed. However, one round in the 512-ft. level crosscut at about 260 ft. averages 0.27 oz. and one round at 290 ft. averages 0.17 oz. with a number of showings of visible gold. A round usually represents a 5-ft. zone width.

Step Up Programme

The No. 1 ore zone is to investigated on several levels and if results warrant, this zone will be prepared for production as quickly as possible. For this the underground programme will be stepped up to a basis of six rounds per day. All mucking is now being handled by an air-driven mucking machine.

Crosscuts on the 175 and 400-ft. levels are out 195 and 216 ft., respectively. Drifts have been started from the crosscuts on these two levels and the No. 2 ore zone, located in greenstones, will be explored by diamond drilling at close intervals. Surface drilling indicated this zone to have a length of over 1,100 ft.

Arrangements have been made for the milling of the ore at Broulan, although it is not anticipated that shipments will be started before October. In the meantime, ore from development is being stockpiled on the surface.

Sheep Creek Net Less Last Year

Slightly lower operating income and a somewhat higher charge for outside exploration combined to reduce net profit of Sheep Creek Gold Mines in the fiscal year ended May 31, 1941. Earnings for the period were $317,154 or 16.9 cents a share against 20.3 cents earned the previous year.

During the year the company purchased the former property of Lucky Jim Lead & Zinc Co. from the trustees in bankruptcy of that company for $30,100. The property was subsequently turned over to a subsidiary, Zincton Mines, and $24,500 spent in rehabilitation. Milling operations commenced May 3 and by the end of June, 9,404 tons of ore had been treated at a small profit.

At present 175 tons of 14.5% zinc ore are being handled daily. Steps are being taken to increase capacity to 250 tons daily and directors are of the opinion that reasonable profits can be expected.

Ore Reserves Down

Ore reserves have decreased slightly at the Sheep Creek Mine, totalling 128,611 tons of 0.372 oz. grade at May 31, 1941, compared with 139,555 tons of 0.446 oz. grade a year previously. Ore reserves at Zincton Mines are estimated at 127,900 tons of 13.4% zinc with the downward extension of the ore body unexplored.

A total of 55,054 tons or ore was milled in the 1941 fiscal year of which 24,860 tons were drawn from the 81 vein. This vein was explored for 2,088 ft. of which 413 ft. or 19.8% was in ore. A 270-ft. ore length was opened up in No. 92 vein on the eighth level averaging 0.539 oz. over 1.70 ft. while 108-ft. length on the ninth level averaged 0.673 oz. across 1.45 ft. Ore was opened up in 68 vein on the fourth and seventh levels. Exploration on the optioned Bonanza ground revealed a vein of doubtful value; exploration is continuing.

Income and Surplus Account
Years Ended May 31

	1941	1940
	$	$
Production	986,640	1,019,205
Less: Marketing	13,968	15,847
Net production	972,672	1,003,358
Less: Min. & develop.	255,636	265,321
Milling	88,379	82,257
Ore delivery	4,483	4,530
B. C. mineral tax	17,604	18,314
Ins. premiums	5,874	3,908
H. O. & admin. exp.	15,571	13,645
Operat. earnings	585,125	615,383
Add: Sundry revenue	12,429	11,111
Total net earns.	597,554	626,494
Less: Depreciation	96,644	84,160
Outside explor.	33,756	11,334
Income taxes	150,000	150,000
Net profit	317,154	381,000
Less: Dividends	337,500	337,500
Surplus for year	*20,346	43,500
Add: Prev. surplus	353,124	309,624
Surplus forward	332,778	353,124
*Deficit.		
Earnings per Share and Dividend Record:		
Earned	$0.169	$0.203
Paid	0.18	0.18
No. of Shs. Outstand.	1,875,000	1,875,000
Working Capital		
	$	$
Current assets	785,744	740,882
Current liabilities	206,984	175,982
Working capital	578,760	564,900

Perron Starts to Open Block of New Levels

From Our Own Correspondent

PERRON, QUE.—Preparations for depth development are now under way at Perron Gold Mines. Shaft sinking has been carried from 1,625 to the 2,200-ft. horizon for the opening up of four new levels and crosscuts are now being driven at the 2,125-ft. level where first exploration is to be concentrated.

The 1,500-ft. level is so far the deepest level on which any quantity of exploration has been carried out. The No. 34 vein system has now been opened up on this horizon for a length of 160 ft. averaging 0.30 oz. gold per ton across an average width of 3.5 ft. The No. 14 vein, which is to the north of No. 34 vein, carries high grade values across 2 ft. at this level. It has been opened up for a length of 90 ft. with the east face still in ore.

Long Crosscut Gets Vein

An exploration crosscut has been driven 400 ft. to the northeast corner with Pascalis and a drift has been carried 800 ft. parallel to the north boundary of Pascalis. At 400 ft. to the east, strong shearing and mineralization were disclosed with mine average assays returned over quartz widths up to 10 ft. No drifting has yet been done on this occurrence. The main east-west shear is 180 to 200 ft. north of this level and horizontal and angular diamond drilling from the drift is to be done.

Work has disclosed more pronounced shearing on the 1,500-ft. level. This condition is also shown in the shaft at and above the 2,000-ft. level in three flat-lying quartz shears.

No. 32 Vein Weakens

On the upper horizons, the No. 32 vein has been the most important ore maker. The ore length in this vein is becoming shorter, however, amounting to 430 ft. on the 1,225-ft. level and 270 ft. on the 1,325-ft. level. No stoping has yet been done below the 1,125-ft. level in this vein. There are estimated to be 150,000 tons or more of 0.35 oz. grade ore in this vein above the 1,125-ft. level.

Development from the 8th to 12th levels has opened up new structures of important grade and tonnage.

On the 875-ft. level, the No. 25 vein which is located south and east of the shaft has been drifted on for 190 ft. averaging better than 0.5 oz. gold across an average width of 5 ft.

Open New Vein System

On the 1,025 and 1,125-ft. levels, a new vein system—known as the No. 12—has been opened up. On the 1,025-ft. level a length of 300 ft. has been drifted on averaging 0.40 oz. grade across 3.5 ft. while 320 ft. of the same grade has been opened up on the level below with a 50-ft. extension east to the south boundary.

Mining is being carried out on all levels down to the 1,125-ft horizon with 35 to 40% of ore milled being drawn from the No. 32 vein. Favorable structural indications in diamond drilling in the southwest area will result in an exploration in that direction on the upper levels.

Operating results in the first half of 1941 show little change from those of 1940. Earnings after all charges except depreciation ran at the rate of 34 cents a share a year in the first half or at 27 cents after allowing for depreciation. Net profit of $564,076 for all 1940 had been equal to 28 cents a share.

Details of operating results in the first half of the current year are as follows:

Month:	Tons milled	Tons daily	Total recov.	Oper. profit
			$	$
January	13,864	447	154,064	62,992
February	11,920	426	155,807	62,869
March	12,161	392	164,669	80,406
April	12,122	404	161,162	62,339
May	12,608	407	160,078	62,339
June	12,062	402	158,880	68,283
Six months	74,737	414	954,660	417,650

Siscoe Output Boost Expected in October

From Our Own Correspondent

BOURLAMAQUE, QUE.—Installation of additional grinding and tankage units at Siscoe Gold Mines is expected to be completed in October, resulting in an increase in mill capacity from 650 to 1,000 tons daily. Milling at the higher rate is expected to be achieved before the end of the year.

While work has been proceeding on the mill expansion, development has enlarged ore reserves considerably since the end of the year. Reserves at the end of June showed an increase to 740,000 tons averaging $6.56 per ton compared with 575,150 tons of $6,58 grade at the end of 1940.

"Horsetail" Yields Ore

Exploration and development in the south end of the main vein system on the upper levels have disclosed commercial ore structure over widths of 100 ft. in the "horsetail" or stringer zones abutting on the albatite dyke. Grade is indicated at better than $7 per ton with low costs to be expected over the great widths to be mined. There is said to be indication of continuity of this zone to the 600-ft. horizon and further development will be done on the lower levels. At present stopes are being prepared on the first, second and third levels.

The "Hope" vein has now been indicated as continuing through to surface. A length of 400 ft. has been opened up in it at the 450-ft. level and a length of 375 ft. is showing on the 600-ft. level. Four drilling intersections show a length of at least 200 ft. for this structure on the 1,225-ft. level. Structure is narrow but above average mine grade.

Drift on "G" Vein

In the northwest part of the mine, the "G" ore structure has been drifted on for 150 ft. of flat-lying narrow vein, located in the hangingwall of the "Siscoe" vein. Pockets of heavy, coarse gold have been in evidence. Exploration will also be carried out on the fourth and fifth levels.

Intensive exploration is also planned for the upper horizons of the mine to the northwest along the hangingwall of the "Main" ore system along the albatite dyke. With the increase in production facilities, operating costs should be such as to ensure a profit on ore that was hitherto not considered commercial.

Operating profit for the first half of 1941 has amounted to $328,949 compared with $800,650 for all 1940. The company has been concentrating on development work in preparation for the step-up in the milling rate. This has resulted in an increase in the amount of development ore which has been somewhat lower grade, affecting operating profits.

Company Reports

B. C. Packers

British Columbia Packers Ltd. reports a gain of $1.7 million in sales for the year ended April 30, 1941, over the preceding year. In spite of this net profits for the latest period are equivalent to only $1.56 a share on the common stock compared with $2.87 a share in the year ended April 30, 1940.

Balance sheet shows a moderate gain in working capital which amounted to $1.9 million at April 30 last. Bank loan, which totalled $378,575 at April 30, 1940, has been entirely paid off.

Current assets are down about $190,000, due chiefly to lower inventories of products. Of the inventories of $947,810 at April 30 this year, about $300,000 remained unsold at June 30. There has been an increase of $20,275 in inventories of store merchandise, nets, cans, labels, etc., due to the company's policy of maintaining supplies essential to future operations.

During the year, the company reduced funded debt by $50,000 to $900,000 and deferred bills payable by $54,000 to $250,000. Contingent liabilities, consisting of bills under discount, endorsements and guarantees including £59,798 sterling commitments converted at $4.47 to the £, amount to $1.9 million compared with $1 million a year ago.

Consol. Income and Surplus Account
Years Ended Apr. 30

	1941	1940
	$	$
Net sales	7,852,985	6,190,953
Less: Cost of sales	6,726,613	4,713,206
Exps. & bank int.	385,918	366,563
Net oper. earnings	740,454	1,111,184
Less: Depreciation	287,256	263,813
Bond interest	44,922	46,923
Directors' fees	1,075	1,500
Exec. salaries	37,900	30,116
Legal expenses	4,024	4,245
Bond disc. w/o	4,021	3,021
Income & E. P. tax.	154,404	369,935
Net profit	206,852	390,631
Add: Prev. surplus	658,377	267,746
Tax adjustment	71,000	......
Earned surplus fwd.	936,230	658,377
Earned per Share	$1.56	$2.87
No dividends paid.		
Shares O/s., n.p.v.	136,279	136,279
Working Capital		
	$	$
Current assets	3,033,793	3,222,544
Current liabilities	1,115,370	1,472,811
Working capital	1,918,423	1,749,733

Wisconsin Central

Total revenue of Wisconsin Central Railway Co., subsidiary of Minneapolis, St. Paul & Sault Ste. Marie Railway Co., amounted to $7.7 millions in the six months ended June 30, against $6.2 millions in the same period last year.

Operating expenses increased to $5.1 millions from $4.7 millions, and taxes to $720,730 from $454,279, leaving balance before bond interest of $1.4 million, compared with $607,891.

Condensed Income Statement
Six Months Ended June 30

	1941	1940
	$	$
Freight revenue	7,094,884	5,706,258
Passenger revenue	141,155	122,541
Other revenue	489,096	405,104
Total revenue	7,725,135	6,233,903
Less: Oper. exps.	5,136,377	4,683,681
Net revenue	2,588,758	1,550,222
Less: Taxes (Fed. inc.)	197,461	......
Other taxes	523,269	454,279
Equipment hire	217,594	217,059
Terminal rental	192,413	188,053
Int. accr. & paid	49,872	56,271
..Other charges (net)	45,718	26,669
Bal. before bond int.	1,362,431	607,891

Soo Line

Minneapolis, St. Paul & Sault Ste. Marie Railway Co., in which Canadian Pacific Railway Co. holds a majority of stock, reports total revenue of $7.7 millions in the six months ended June 30, compared with $7.2 millions in the corresponding period last year.

Operating expenses and taxation were up substantially and balance before bond interest amounted to $220,694, against $202,182.

Condensed Income Statement
Six Months Ended June 30

	1941	1940
	$	$
Freight revenue	6,799,173	6,358,325
Passenger revenue	244,268	278,626
Other revenue	676,505	592,136
Total revenue	7,719,946	7,229,087
Less: Oper. exps.	6,747,495	6,335,430
Net revenue	972,451	893,657
Less: Taxes	631,268	570,848
Equipment hire	66,250	90,378
Terminal rent	79,137	74,169
Int. accr. & paid	27,237	18,057
Add: Other inc. (net)	52,135	61,977
Bal. before bond int.	220,694	202,182

Evans, Coleman

Evans, Coleman & Gilley Bros., building supply house operating throughout British Columbia, reports operating profits for the year ended Mar. 31, 1941, at $416,231, compared with $325,784 in the previous year.

Despite the higher gross, the company reports a lower net income—income and excess profits taxation requiring $113,700, an increase of $64,700. Net profit was $119,630, compared with $139,743 in 1939-40.

The 1940-41 net is after deduction of $127,825 for depreciation, against $87,081; executive remuneration amounting to $55,444, against $48,600 and allowance of $378 for minority interest.

After a full year's dividend on the 6½% cumulative first preferred shares, requiring $58,500, balance of $61,130 was equal to 34 cents a share on the 179,160 outstanding common shares.

Normal Output For Broulan

Enlarge Milling Plant to Allow Handling of Bonetal Ore

After a drop in production to $239,849 in the June quarter due to an unexpected flow of water down the fill passes, Broulan Porcupine Mines reports that July production of over $85,000 is close to what might be considered normal. Collars of the fill passes which caused the low second quarter output have been repaired to avoid a recurrence of this condition.

Results of surface drilling on the adjoining Bonetal property indicate that a short section of the Hallnor ore zone may extend across the northwest corner of the Broulan property. Favorable results are being secured at Bonetal in development of this zone at a point within 150 ft. from the Broulan line. Due to this area being located over 3,000 ft. from the Broulan shaft, it is planned to have Bonetal continue the drifts along this zone on each level to explore this zone on the Broulan property.

New Equipment

In order to allow for milling of ore from Bonetal without affecting Broulan production, a small expenditure will be made for new equipment and changes in the mill, which may increase capacity to the neighborhood of 500 tons per day. A number of units of used equipment, including an 8 ft. by 36 in. Hardinge ball mill, compressor, vacuum pump and filter, have been obtained for installation at a later date, providing sufficient ore is indicated at the Bonetal property to warrant a further increase in mill capacity.

The installation of this equipment together with agitators and sundry small equipment should increase the mill capacity to approximately 650 to 700 tons per day.

Actual mining operations at Broulan to date show that ore is mined from a larger area than is included in ore reserve estimates, due to including lower grade ore from the walls of the stopes and the finding of extensions of the ore bodies, with the result that tonnages to be mined will be greater, and grade lower, than indicated in the ore reserve figures.

Oil Pipe Line Work Speeded

Border Crossing of Montreal-Portland Line Made Official Function

From Our Own Correspondent

MONTREAL. — Another link has been welded between the United States and Canada. Government and industrial leaders of both countries participated early this week in a ceremony at the international boundary at Highwater, Que., welding the first link in the Montreal-Portland, Me., crude oil pipe line.

The ceremony was more of a symbol than actual consummation of the plan. Crude will not course through the 236-mile pipe line much before the end of the year.

To assure early completion this pipe line has been given top priority ranking for its steel needs by United States authorities. It is the only pipe line to get this priority.

Wage "Industrial Blitzkrieg"

Ace pipe layers from Oklahoma and Texas are conducting their own "industrial blitzkrieg" to place the pipe in operation in record time. Only delay is expected in getting pumps necessary to pressure the crude on its long journey.

The pipe line is being laid at a cost of $8.5 millions by subsidiaries of Standard Oil of New Jersey; the United States section by Portland Pipe Line Co. and the Canadian section by Montreal Pipe Line Co.

Wartime necessity is the primary object of the line. It will reduce tanker voyages to Montreal by 2,000 miles, saving from 10 to 12 days of tanker time. It will make supplies of petroleum available to the Montreal area, which otherwise would not be obtainable. About 50,000 barrels of crude will come from U. S. fields daily through the 12-inch pipe. The project also has a peacetime value. It will be economic after the war to transport oil to the Canadian markets by this method.

Crosses White Mountain

Starting at Portland the pipe line scales the White Mountains to a height of 1,950 ft. and crosses into Quebec at the Vermont border. It will pass under several rivers in the United States and the Richelieu and St. Lawrence Rivers in Canada.

It is expected the line will be in operation within six months from start of construction. This is contrasted with a two-year period considered normal time for the job.

Officials at Ceremony

Utilizing the most modern equipment, a Tulsa, Okla., firm of contractors is clearing the 35-ft. right of way with giant bulldozers; digging a four-foot trench along the right-of-way and laying the 40-ft. sections with derricks.

The 236 miles of seamless steel pipe will weigh 32,570 tons. Laying of the Canadian section of the line will commence Aug. 8 and will continue at the rate of 1¾ miles daily.

Governor W. H. Wills, of Vermont; Premier Adelard Godbout, of Quebec, Munitions Minister C. D. Howe, J. Pierrepont Moffatt, United States Minister to Canada, W. S. Farish, president of Standard Oil of New Jersey, and J. C. Richdale, vice-president of Colonial S. O. Marketers, a Standard Oil subsidiary, all spoke at the ceremony.

SMELTERS ORE RECEIPTS

A total of 3,529 tons of ore and concentrates was received at the Trail smelter of Consolidated Mining and Smelting Co. in July. Of this, a total of 609 tons came from the Highland-Bell property, 360 tons came from the Union mine at Grand Forks, B.C., and 299 tons came from the Nugget mine at Salmo, B.C.

COCHENOUR OUTPUT DOWN

Production of $190,805 from 15,395 tons of ore is reported by Cochenour Willans Gold Mines in the three months ended June 30, 1941, an average recovery of $12.39 per ton.

Week in Oils

Turner Watches North

From Our Own Correspondent

CALGARY.—The northwest extension of Turner Valley—which stands out as Alberta's No. 1 prospect for a new major source of crude oil this winter—moved into the limelight again this week with the very successful completion of the Miracle well on the northernmost tip of the present producing area. The very satisfactory logging of three key drill-tests also suggests the proved area may be extended a mile or more farther north within a few weeks.

The new north extension producer is Miracle Royalties No. 1, located in L.S.D. 3 4-21-3w5, quarter of a mile east of Alberta Oil Incomes No 2, the outpost extension well placed on production last October. Drilling was completed a week ago at 8,010 ft., 515 ft. in the Madison limestone, after the bit had penetrated a 100-ft. upper porus zone and a 65-ft. lower productive section.

* * *

Miracle a Big Well

Started off with booster gas, the well was soon allowed to clear under its own power, yielding about 1,000 bbls. of circulating oil and new oil in 20 hours ended Sunday morning. With storage tanks full, the well was then shut in temporarily, but was reopened Monday morning through the tubing, for a brief run prior to application of initial acid treatment. From all appearances, the well is certain to rate among the best producers in the field.

Regarded as important by geologists is that Miracle topped the Madison lime 773 ft. higher structurally than did Alberta Oil Incomes No. 2, quarter of a mile to the west. Miracle lime elevation is 3,481 ft. below sea level, compared with 4,254 ft. below at Incomes 2, and 3,968 ft. below at Home Millarville 7, which is a quarter of a mile to the south.

* * *

Limestone Above Water

This fact, and the findings revealed by grinding rotary bits at three key tests now drilling to the north, have spread wider belief that the great limestone body from which Turner Valley produces lies well above the water line under a substantial part of the area northwest of the present most northerly producers.

Ace Royalties No. 1, located quarter of a mile north of Incomes No. 2 and three eighths of a mile northwest of Miracle, is now drilling below 7,925 ft., with the rotary bit in the Brown sand and expected to enter the Madison lime somewhere between 8,000 and 8,150 ft. A limestone elevation of 3,800 to 3,950 ft. below sea level, 300 to 450 ft. higher than Incomes No. 2, is indicated.

* * *

North Wells Shallower?

Major Oil Investments No. 2, located quarter of a mile north of Ace, is now making hole below 7,259 ft. after entering the Dalhousie sand at approximately 7,240 ft. It is now expected the well will top the Madison between 7,500 and 7,700 ft., 3,440 to 3,640 ft. below sea level.

Major Oil Investments No. 3, located half a mile north and west of Major No. 2, is now drilling below 6,820 ft. in the Crooked Hole sand after topping the Home sand at approximately 6,650 ft. The logging of the well indicates that the Madison lime objective will be entered between 7,150 and 7,350 ft., 3,190 to 3,390 ft. below sea level.

The survey indicates that, unless the unexpected happens, the wells to the north of Incomes No. 2 and Miracle will log progressively shallower, opening up for development what Geologists Sanderson and Hume and the backers of the present drill-tests hope will be a tremendous new producing area.

No other word than "tremendous" could describe the effect on the Alberta oil production and development outlook that such an extension of the "proved area" would have. One way or the other, the next few weeks should tell the tale.

* * *

Expand Turner Refinery

Gas & Oil Products Ltd., largest of the "independent" prairie refiners and marketers of Turner Valley petroleum products, has completed arrangements for a $150,000 to $200,000 expansion to its Hartell (Turner Valley) refinery, and has already commenced work on the new addition.

What is reported to be the first polymerization unit to be installed in the prairie area is to be added to the gas and oil refinery. It will increase daily output of the plant from 2,900 to 3,500 bbls. per day, and at the same time produce a blending agent from Turner Valley oil that will markedly reduce the amount of ethyl lead required. New blending agent will boost the octane rating of Gas & Oil Products gasolines, already held to be the same general quality as that of most other refineries.

The Gas & Oil announcement follows on the heels of the McColl-Frontenac Oil Co. announcement that it will construct immediately its first refinery in the prairie provinces. The McColl-Frontenac plant, a $1 million modern cracking unit, will be capable of processing 3,500 bbls. of crude oil per day. It is to be erected in East Calgary, in the vicinity of the big Imperial Oil refinery.

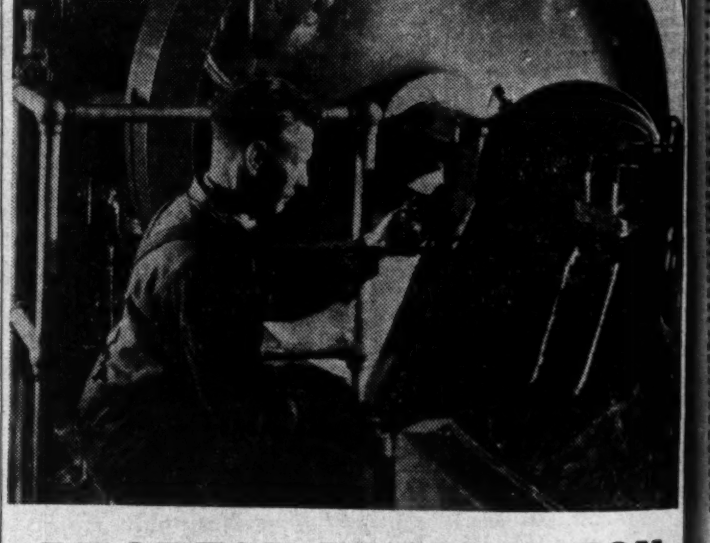
Pacific Nickel Gets Attention

From Our Own Correspondent

VANCOUVER. — Several approaches are now being made toward commercial utilization of the ores in the Pacific Nickel property near Choate, B.C., and it is hoped that eventually it may be possible to proceed with milling plans.

Two separate organizations are reported to be working on this project, and research work is being carried out by the University of British Columbia, too.

When development was in progress at Pacific Nickel under Major Cy. B. North, recently with a Canadian tunnelling company at Gibraltar, some 12 million tons of ore averaging 1.39% nickel and 0.5% copper were indicated.



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Three New Veins Reward Sullivan Ore Search

Production Boost From 350 to 475 Tons Daily is Scheduled for Next

By **GORDON M. GRANT**
Staff Writer, The Financial Post

Next month is expected to see the increase in mill capacity from 350 to 475 tons daily placed in effect at Sullivan Consolidated Mines. Working at the new higher capacity, operating profits are expected to reach $45,000 to $50,000 monthly, considerably more than offsetting recent increases in costs which reflect a stepped-up development programme.

While the management has thus been clearing the way for higher profits, mine development has been disclosing new interesting ore possibilities. Diamond drilling has intersected three new parallel ore bodies which could be of decided importance to the future of the mine. These ore bodies—which underlie the A ore system and strike northwest—occur in a section 500 ft. long and 200 ft. wide.

Many Ounce Assays

The new ore bodies have been indicated by diamond drilling from the 501 north crosscut at the 550-ft. level to the 950-ft. level, or over a vertical distance of 400 ft. Altogether 11 drill holes have been put out to explore the three ore structures and assays running an ounce gold or higher have occurred frequently in the drill cores. Drilling holes upward at the 950-ft. level has confirmed both grade and structure over a north-south length of 400 ft.

950 Level Holes Rich

Three drill holes completed from the 950-ft. horizon show the calibre of the new showings. One hole 10 ft. out at the 950-ft. level and pointed upward at 15 degrees intersected two one-foot sections running $13.09 and $40.81 per ton separated by 5 ft. of rock. A hole at the same horizon 100 ft. to the south and pointed up at 23 degrees gave a one foot section running $146.30. A second hole at the same location only inclined at 15 degrees returned three one-foot sections running $3.08, $20.90 and $7.70 per ton.

Test Them on Two Levels

Aggressive exploration of these new veins is planned at the 950 and 1,150-ft. horizons. The northwest face of "A" vein drifts on the latter level are now close to the north contact. Drifting west will be done with diamond drilling for the 914 structures.

Deepening of the No. 2 shaft for two levels at 1,250 and 1,350 ft. has now passed the 1,300-ft. level. Lateral exploration on the two new levels is expected to be under way in September. In view of the splendid length developed in the A structure on the 1,150-ft. level, work on the two new levels will be extremely interesting.

"A" Vein Results

Exploration of the "A" vein on the 650, 750 and 850-ft. levels from No. 2 shaft has disclosed typical structure with evidence that the ore structure opened up over a length of 1,500 ft. at the 1,150-ft. level apexes at the higher horizons.

Lateral work on the No. 2 and No. 4 ore structures is stated to be meeting with favorable disclosures. Ore lengths opened up in the No. 4 vein on the 850-ft. level going from north to south have been as follows: 60 ft. averaging $20.10 across 4 ft.; 130 ft. averaging $6.05 across 4.6 ft.; and 130 ft. running $3.52 across 4 ft. The south face is now in higher grade ore.

Rich Hole at 1,050

Diamond drilling in the No. 2-No. 4 ore zone area from the 1,050-ft. level has given interesting intersections. A drill hole put out and upward at a location northwest of the shaft returned the following intersections:

Footage In Hole ft.	Core Length ft.	Value Per Ton $
223-224	1.0	15.40
225-226	1.0	225.61
228-229	1.0	7.70
231-232	1.0	20.02
235-236	1.0	36.19
236-237	1.0	30.80
204-305	1.0	80.85
340-341	1.0	36.58

The No. 2 ore zone system is believed to run from footage 223 to 237 in this hole, the No. 3 zone from footage from 304 to 305 ft. and the No. 4 zone from footage 340 to 341 ft.

While production has been running close to the 1940 rate so far in 1941, operating profits have been somewhat lower due to both higher general costs and unusual exploration and development charges which have been running over $2 per ton of ore milled. Big expenditures on development have been improving the position of the mine, however.

Ore Reserves Gain

Ore reserves were increased from 368,720 tons of $10.60 grade on Mar. 31, 1940, to 407,542 tons of $10.18 grade as at Mar. 8, 1941. Values in each case are taken at $35 gold. While no statement is available, it appears there has been a further increase in ore reserves since the end of last March and that ore reserves are approximately sufficient for three years milling requirements even at the new higher milling rate.

Operating Position Outlined

In 1940 Sullivan had an operating profit of $559,776 ($139,944 a quarter) and a net profit of $364,258 or 9.1 cents a share after all charges. With preparations for the higher milling rate being made, operating profits have amounted to only $116,546 in the first quarter and $101,089 in the second quarter although the production rate has been maintained.

A total of $316,327 was recovered from 30,607 tons of ore for an average recovery of $10.34 a ton in the first quarter while $312,542 was secured from 31,674 tons of ore for an average recovery of $9.87 a ton in the second quarter. In 1940, $1,247,705 had been recovered from 123,790 tons of ore, an average of $311,926 per quarter. Output in each of the first two 1941 quarters was higher than the 1940 average although there was no change in mill capacity during the period.

Mill Heads Stay Up

Even milling of a greater tonnage of ore it is expected mill heads will remain above $9 a ton. If it is decided to cut grade of ore to the mill, ore bodies can be cut wider and ultimate life of the operation will be increased.

Expansion in ore reserves and production at Sullivan has become almost routine. Production, for instance, has been increased every year since the mill first turned over in 1934. The increase in milling rate next month comes close to assuming that the production record will be maintained this year.

Expansion in ore reserves has proceeded even more rapidly than the expansion of production. The growth of ore reserves has been very consistent. Undoubtedly it has been assisted by the tendency of the mine to "broaden out" on the upper horizons. While the values found in the "A" zone at depth are of importance in maintaining the mine's position, the three new ore bodies underlying the "A" zone are the type of thing that has been responsible for much of Sullivan's expansion in the past. It is the kind of thing that may eventually predicate still further expansion.

What "Broadening" Means

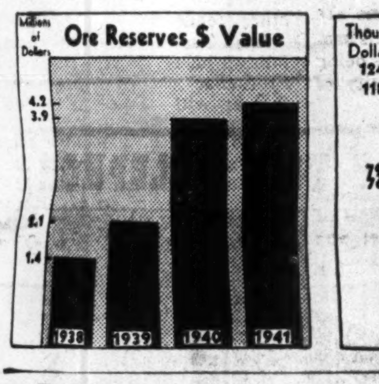
Widening out a mine means a greater number of sources from which ore may be drawn; it means that work does not have to be carried to depth so rapidly; and that development costs are reduced. At Sullivan, however, work is being carried to depth for an additional couple of levels anyway so that mine development will remain well ahead of current mill expansion.

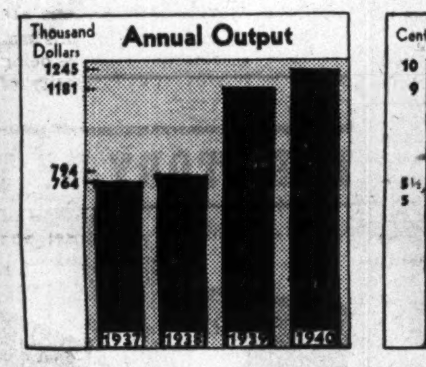
The aggressive way mine development is being handled is illustrated by a comparison of mine development figures for the first half of 1941 with those for preceding periods. In six months of 1941, 48,000 ft.—or nine miles—of diamond drilling was completed against 56,688 ft. for all of 1940. The six-months figure is practically the same as the 48,531 ft. of drilling completed in all 1939.

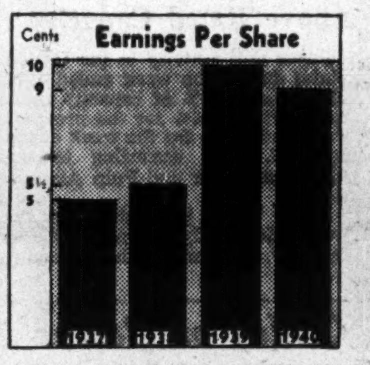
Lateral Work Up 50%

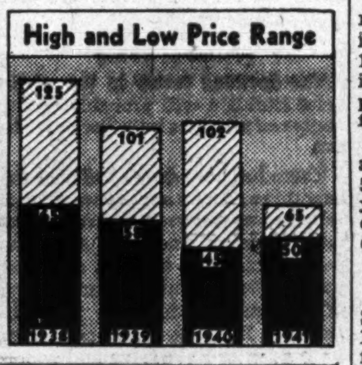
Drifting and crosscutting completed have shown an increase of 50% over 1940. A total of 9,179 ft. of drifting and crosscutting was completed in the first half of 1941 against 11,908 ft. in all of 1940. When a higher tonnage is being treated, costs on a per ton basis are almost certain to come down. The higher development footage will be spread over a greater tonnage and certain efficiencies will also be experienced from handling a larger tonnage of ore. Taken in this sense, level of costs in the first half of 1941 has been abnormal — higher than that existing in the past and higher than the level likely to exist in the future.

Acquisition of the adjoining 238-acre property of Central Mining Corp. in 1941 increases considerably the potential ore-producing area of the company. The ground adjoins on the north and northeast and expanded Sullivan's acreage by about a third. Consideration for the property was $75,000 cash which will be only a relatively small item if the ore search in that section encourages.









Kirkland Lake Finds New Ore

Number of Drill Holes Indicate Ore in No. 2 Winze Area at 54th

Driving west on the main break at the 54th level of Kirkland Lake Gold Mining Co. has resulted in the location of a new ore zone, Managing Director V. H. Emery reveals in the company's semi-annual report. Drilling from this drive, which has been put out from the No. 2 winze along the main break from the Grozell boundary, has indicated excellent ore in a number of sections.

A crosscut which has just reached one of these intersections has fully substantiated the high values obtained in drilling, Mr. Emery states.

Profit Lower

Estimated net profit of the company for the six months of 1941 was equal to 5.04 cents a share compared with 6.73 cents in the corresponding period of 1940. Profit before taxes and depreciation was $434,676 against $540,596 for the 1940 period.

Production was off slightly amounting to $991,806 from 74,993 tons of ore for an average recovery of $13.22 in the first half of 1941 against $1,015,175 from 64,104 tons of ore and a $15.83 average recovery in the first half of 1940.

Development continues to open up new ore in the hanging wall section between the main and No. 6 breaks on all levels from the 41st to the 47th. The ore bodies in this large zone have been found to be more erratic and complicated than was first thought, making a great deal of exploration work necessary between levels, as well as on the levels, and causing some unavoidable dilution.

Sherritt Profit Shows Gain

Testing of Iron Property Being Undertaken With Frobisher Company

Operating profit of $251,846 was realized by Sherritt Gordon Mines in the three months ended June 30, 1941, compared with $222,821 in the immediately preceding three months period. Figures in each case are before write-offs but after taxes.

Returns from metal sales showed an increase of almost $40,000 at $941,582 in the second quarter of this year. This increase, however, was offset somewhat by higher operating costs and increased taxation.

Low Values in Exploration

Concerning exploration of the Sherritt ore body at depth, General Manager E. L. Brown states as follows:

"Two more deep holes were drilled from the surface during the quarter. These holes were drilled from a section 500 ft. in advance of the mine workings, to cut the ore zone at depths of from 1,700 to 2,000 ft. below surface. Both holes cut massive sulphides in the ore zone, but the copper content was definitely below ore grade. Considerable additional drilling will have to be done before it can be determined whether this is just a lean area in the ore zone or whether the copper content is actually cutting out."

First Hole Encourages

During the latter part of the second quarter, a diamond drilling programme was started on the Josephine iron property in the Michipicoten area. This work is being done in conjunction with Frobisher Exploration Co. under the direction of the Sherritt Gordon staff. One diamond drill hole had been completed at the end of the period, with rather encouraging results.

The Sherritt Gordon mill operated continuously throughout the second quarter, except for a three-day shutdown while the Flin Flon smelter was closed for repairs. A total of 174,860 tons of ore was milled, an average of 1,984 tons a day. The increased tonnage was necessitated by the lower grade of mill feed. Approximately 25% of the mill feed came from the east mine, the balance from the main west mine.

During the second quarter, over 10% of the entire crew enlisted in the armed forces. These men were chiefly skilled miners. Their places were immediately filled with young men from the prairies but the infusion of so many green men in such a short period inevitably lowered the efficiency of the mine operation.

Faymar Porcupine Mines produced $210,837 from 31,923 tons of ore in the first six months of this year for an average recovery of $6.60 a ton. The Nakhodas property, being operated by Faymar, turned out $66,675 from 11,324 tons of ore, an average of $5.88 a ton.

Jason in Ore On 700 Level

Length of 40 Ft. Opened Runs $31.43 Uncut Across 25 Inches

Drifting on the new seventh level at Jason Mines for 40 ft. has averaged $31.43 uncut values across an average width of 25 inches, President E. M. Thomson informs shareholders. This confirms the downward continuation of ore and is officially expected to give a mill feed grade of $17 a ton based on previous experience.

More exploration has been done on the fifth and sixth levels, Mr. Thomson states, and all such exploration indicates that ore bodies continue without change.

Sink at No. 1 Vein

Shaft sinking has again been started on No. 1 vein. Aside from this, the only development on the vein was by drifting on the fourth level sub-drift which disclosed high values. All other mining in this shaft was limited to breaking rock for the mill.

Operating profit the last three months was $77,896 or $6.54 a ton on 11,911 tons of ore milled. Production for the quarter was $202,687, giving an average recovery of $17.02 with recovery slightly in excess of 97%.

In the preceding quarter operating profit was $64,820. This was secured on a production of $181,560 from 11,917 tons of ore for an average recovery of $15.24 per ton. Both production and operating profit accordingly were considerably higher in the latest quarter.

Working Capital $151,900

As at June 30, 1941, liquid assets totalled $214,623 as against current liabilities of $62,724, leaving working capital of $151,900. This did not include $30,000 of bonds deposited with the Hydro-Electric Power Commission of Ontario. Since June 30, a dividend of 2 cents a share has been paid.

A new assay office has been completed at the property and the refinery recently destroyed by fire has been rebuilt. A considerable crew of men have been employed all season on repair and painting of all buildings and residences. When this work is completed, operating costs are expected to decrease materially.

Coniaurum Profit Up In Latest Quarter

Estimated profit of $123,693, or $7,000 more than in the previous quarter, was realized by Coniaurum Mines in the three months ended June 30, 1941. Profit in each case is after taxes but before allowance for depreciation. An appeal has been made on the question of taxes and it is hoped that some allowance will be made the company.

Net income from metals produced amounted to $457,013 from 46,985 tons in the quarter ended June 30, 1941, an average recovery of $9.73 a ton. This compared with $446,676 from 46,255 tons in the previous month when recovery averaged $9.66 a ton.

Lake Shore Mines—Incorporated Investors, large Boston investment trust, increased its holdings of this company's shares in the three months ended June 30, 1941, from 10,000 shares to 19,100.

Mining Concentrates

Armistice Gold Mines is carrying out a programme of diamond drilling on its property in the Larder Lake area adjoining Kerr-Addison Gold Mines on the west. A total of 3,000 ft. of drilling will be done with a further 3,000 ft. if results warrant. A dolomitic ridge on the Kerr-Addison property is stated to have been traced on the company's property and as the Kerr-Addison ore bodies occur in the dolomitic formation, it is planned to test it on the Armistice claims. Charles L. Hershman, the company's consulting engineer, will be in charge of drilling operations.

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Francoeur Gold Mines has declared a dividend of 4 cents a share payable Aug. 29, 1941, to shareholders of record Aug. 14. Ex-dividend date is August 13. Last previous dividend was one of 3 cents a share paid on Dec. 20, 1940.

* * *

Hoyle Gold Mines production for the first half of this year is reported at $281,986 from 69,596 tons of ore, for an average recovery of $4.05 per ton. The mill was placed in operation in January.

* * *

Kootenay Belle Gold Mines is stated to have experienced an operating loss of $6,932 before taxes and write-offs in the three months ended June 30, 1941. Production for the period was $95,595 from 7,771 tons of ore for an average recovery of $12.30 per ton.

* * *

McKenzie Red Lake Gold Mines has declared its regular quarterly dividend of 3 cents a share payable Sept. 15 to shareholders of record Aug. 30.

* * *

McWatters Gold Mines had an operating profit of $14,142 in the three months ended June 30, 1941, compared with $35,527 in the corresponding period of 1940. Figures in each case are before taxes, depreciation or deferred development. A total of 11,955 tons of ore were milled in the June, 1941, quarter giving a recovery of $89,006 or $7.44 per ton. This compared with $108,754 from 9,214 tons in the June, 1940, quarter, and an average recovery of $11.80 per ton.

* * *

Nabco Manganese plants to construct a concentrator unit of 150 tons capacity on its property in New Brunswick and it is hoped to have it in operation by October. It is planned to produce a concentrate which will be ready for marketing after roasting. Some 4,000 tons of high-grade manganese ore is stated to have been blocked out. An additional 20,000 tons of second-grade and 300 tons of high-grade ore are stockpiled at surface.

* * *

Noranda Mines produced $2,488,063 in gold in the second quarter of 1941, according to the Quebec Bureau of Mines, compared with $2,469,043 in the first quarter and $2,111,263 in the second quarter of 1940. A total of 638,823 tons of ore are stated to have been treated in the second quarter compared with 640,017 tons in the preceding quarter and only 611,653 tons in the second quarter of 1940.

* * *

Pawnee Kirkland Gold Mines shares are to be delisted from the Toronto Stock Exchange. At a meeting of shareholders held last week it was decided to allow directors to take action in this regard. It was stated property will remain inactive until such time as conditions are favorable for raising more money. Investments held have a market value of around $2,300 and comprise 200 shares of Macassa, 200 shares of Little Long Lac Gold Mines, 300 shares of Sylvanite, 15,000 shares of Winchester Larder Mines and 100,887 shares of Kirkland Basin Mines.

* * *

Slave Lake Gold Mines has adjourned its annual meeting to Aug. 12 at 11 a.m. to allow counting of ballots for new board of directors. The old board up for re-election comprises A. P. Earle, J. J. Byrne, D. A. Ampleford, A. L. Albee and M. J. Shunsby. The opposition board comprises W. W. Davis, Gordon Plaxton, S. Lawson, George Sayer, and G. F. Finley. A telegram read by President Earle stated that July production was $34,500 plus additional copper values from 1,230 tons of ore, with operating costs equal to $12.20 a ton. Vice-president J. J. Byrne stated that a continuance of July results for three months would allow clearing off of all liabilities. Present plans call for milling 5,650 tons of positive $30 grade gold ore above the 200-ft. level and to then switch over mainly to a tungsten operation. Tungsten becomes more important below the 200-ft. level.

* * *

Upper Canada Mines has declared a dividend of 4 cents a share payable Aug. 30, to shareholders of record Aug. 15. Dividends of 3 and 4 cents a share have been paid previously this year.

* * *

Wright-Hargreaves is unofficially reported to be negotiating for purchase of the adjoining Kirkland Townsite property of 86 acres along its middle-south boundary.

* * *

Yama Gold Mines now expects to have its mill completed and production under way before the end of August. Rapid progress is reported being made in preparation of the mine for production with the opening up of high-grade sections on the 375-ft. level. Increased widths have been revealed in blasting down backs, it is stated. For instance the centre band of the F zone averaged $16.01 across 3.84 ft. in drifting while the first round of backs blasted down for a length of 185 ft. averaging $13.50 over 5 ft. Uncut average was around $20 for the same width, it is stated. New ore is being opened up in parallel drifts on the E zone west of the crosscut on the 375-ft. level.

Mining Enquiries

Kerr-Addison

In a general way please outline for me, briefly, your idea of the present position of Kerr-Addison in which I am planning an investment.

Kerr-Addison Gold Mines has been experiencing a remarkably favorable ore development at depth as readers of The Financial Post are aware. Results obtained at the lowest developed horizon apparently augur well for results to be obtained in the new block of levels to be opened up over the next two years and the stock has been strong on this thought.

Earnings will probably reach a rate of 50 cents a share per annum after all charges with the step up in production from 1,800 to 2,000 tons daily this summer. The new management is committed to a liberal dividend policy after the building up of an adequate cash reserve.

Any further major increase in mill capacity will probably await completion of the present large development programme, but over the long period, growth possibilities at Kerr-Addison certainly appear interesting.

Bonetal Gold

I have noted recently that ore has been encountered in underground work at Bonetal Gold Mines. A friend of mine tells me that the listing statement contained an interesting commentary on the preliminary diamond drilling results which are important. Can you give me some of the conclusions drawn in this statement?

Diamond drilling results and geological indications suggested an excellent chance for making a profitable mine at Bonetal Gold Mines. Results in some of the drill holes were erratic, however, and officials have not felt it advisable to make any estimate of tonnage of ore indicated or grade expected until underground development has been carried out. Below is quoted part of the conclusions of the report of Dr. W. F. James, made on May 23 in connection with listing of the company's shares:

"1. An extensive drilling campaign on the Bonetal property has indicated a large number of intersections of vein material, many of them of ore grade and extent, and a conspicuous number showing visible gold. From the number of these intersections, their grade and frequent threads of visible gold, it is inferred that gold deposit of economic importance is indicated.

"2. Comparison of these drill results with those obtained on such properties as Broulan and Aunor leads to the conclusion that underground mining would yield even better results than drilling now indicates.

"3. Results obtained in drilling warrant expenditures necessary to explore the occurrence underground and in fact installation of equipment adequate for commercial production.

"Two campaigns of diamond drilling have indicated two ore zones: No. 1 zone in sediments and on the extension of one of the Hallnor vein, and No. 2 zone 200 ft. to the north, entirely in volcanics. The No. 1 zone vein material and formation have been indicated for a total known length of 640 ft. In the No. 2 zone irregular quartz stringers, generally of ore grade and frequently carrying visible gold have been cut in drilling in an area ranging in width from 50 ft. to 450 ft., and 1,100 ft. long. In addition to diamond drilling, some drifting was done from the Hallnor property westward on to Bonetal on the 360 and 560-ft. levels.

"It is anticipated that some ore will be produced in the course of exploration and plans are being made to have such development ore milled in the Broulan mill."

Smada Lead

An estate of which I am an executor holds a block of shares in Smada Lead Mines. Can you tell me if these shares have any value and just what the position of the company is at present?

The Financial Post is informed that there is no market currently on shares of Smada Lead Mines. Smada took over the property of Katherine Lead Mines but has apparently been able to carry out little if any work. A certain amount of indebtedness was assumed from the old company and this has probably been a hindrance to completion of necessary financing.

With the current increase in the demand for lead, it is just possible that new interest might be infused in the company but nothing concrete along this line has so far been indicated.

Pascalis Said Approaching Perron Ore Extensions

Following completion of its three-compartment shaft to the 1,550-ft. horizon, Pascalis Gold Mines is now crosscutting on four levels established at 800, 1,000, 1,200 and 1,500 ft. depth. These levels conform to similar levels of the adjoining Perron mine.

Location of the shaft is approximately 800 ft. east of the Perron boundary on each level with about 500 to 600 ft. already traversed. Headings are now beyond the contact of the greenstones with the granodiorite formation and lateral work is approaching the zone in which the east extension of the Perron ore structures occur.

On the eighth and tenth levels the main Perron No. 32 vein has been developed to the boundary and is indicated as extending on to Pascalis.

Vertical drilling from the 625-ft. level of Pascalis has intersected the structure to the east. On the 10th and 12th levels it is planned to concentrate work on the No. 33 and No. 34 zones.

Arrangements are stated to have been completed with Perron Gold Mines for diamond drilling to the south in Pascalis ground from the Perron north drift which is parallel to the north Pascalis boundary.

As reported previously, vertical diamond drilling to 1,500 ft. depth has intersected recurring flat-lying structures on the Pascalis property similar to the Perron deposits. Finances for present operations are being provided by Ventures and associates.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

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MONEY IN OIL?
A Patriotic Speculation
With Large Profit Possibilities

Our geologist, Dr. W. A. Kelly, of East Lansing, Michigan, has located a potential oil-bearing structure on the Island of Manitoulin. On his recommendation this company has secured leases on approximately 3,000 acres covering this structure on which it is proposed to drill three wells located and recommended by Dr. Kelly.

Besides possessing an actual Terrace structure, as reported by Dr. Kelly, this company is moderately capitalized at 150,000 shares with no stock issued for properties or services. All issued stock has been paid for at $1 a share in cash.

The company has no liabilities and is in a sound financial position. Money received from sale of shares will be used efficiently and economically for drilling the wells recommended, the estimated cost of which is only $3,500 per well. As we hold three miles along structure, it is obvious that success in finding commercial crude production would mean very great profit possibilities from drilling further wells along structure.

Shares in this company are offered as a speculation with exceptionally interesting possibilities.

Capitalisation 150,000 shares: 10,129 shares issued: $1.00 par.

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Is Change Due in Newsprint Price?

Fourth Quarter Price Likely to be Set Shortly

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL. — Within the next three or four weeks Canadian newsprint companies will announce the selling price of newsprint for the last quarter of 1941.

At this time there is no official indication of a change in policy. At the same time a number of factors have developed which would make it unwise to assume the manufacturers may not adjust their price schedule.

Since the beginning of 1938 newsprint has sold on New York delivered price basis of $50 a ton. The same price applies in Chicago and elsewhere where delivery can be made by water, with slightly higher prices inland.

Hold Prices Steady

When the war started there was a sharp increase in demand for Canadian newsprint. In some quarters, especially among American publishers, there was a fear of a runaway market.

The situation was cleared up by a joint announcement of the industry, through the Newsprint Association of Canada, that the policy of the manufacturers would be to hold the price down.

Though several announcements have been made since then, the selling price to American customers, who take over 80% of the total Canadian output, has been unchanged.

The ability of the Canadian manufacturers to hold the price at the 1938 level has been largely influenced by the premium received on shipments sent to the American market.

Rising costs of one sort and another, however, have whittled this premium down to a point where very little of it is being retained by the manufacturer.

Holds Out Warning

At midyear there was some expectation of a minor, but upward, rise in the price of newsprint. However, International Paper Co. announced a continuance of the $50 price, but R. J. Cullen, president, gave a warning as to future prices.

Mr. Cullen stated when price was extended for the first quarter of the current year increased volume of production was largely responsible for the company's ability to absorb higher costs of labor and material. He went on to say increased costs constitute a problem which would appear to augur reconsideration of price policy in the final quarter.

Factors to Consider

Here are some of the factors facing the industry at this time:

1. Already high taxation likely to go still higher.
2. Higher wages.
3. Higher costs of materials.
4. No gain in volume of business.

Dollar Income Unchanged

Against this the industry expects to sell more newsprint paper to the United States this year which, with the premium, will mean increased Canadian dollar income at least on business with the States.

On the other hand overseas business has slipped and likely will be considerably lower by the end of the year.

On an over-all basis the Canadian newsprint industry is not likely to show an increase in its Canadian dollar income this year.

Another important factor is the desire of the Canadian manufacturers to "play ball" with the American publishers and so strengthen their position in that market, having in mind the competition that is likely to ensue after the war.

Price Still Moderate

The price of newsprint is selling well below the pre-1929 days. It is also considerably lower than it was in the last war and especially in the postwar years, when the price skyrocketed to $130 a ton.

The break in prices started in 1923. It dropped steadily, largely due to the introduction of new mills and uncontrolled competition, to $40 a ton in 1934. Actually with rebates, etc., the price was under the official rate of $40.

About this time the industry took steps to eliminate senseless competition. From then on the price of newsprint held until 1936 when it advanced to $41 a ton. Another $1.50 was added the following year. Then the schedule was jumped to $50 a ton. The latter price increase nearly bankrupted the industry because it was announced several months before it went into effect. As a consequence publishers stocked up heavily with supplies which were not brought down to normal for more than a year.

Trend of Prices

The trend of newsprint prices since 1928 is set out below:

Canadian Newsprint Prices
(Yearly Average)
Delivered at New York

1941*	$50.00	1934	$40.00
1940	50.00	1933	41.25
1939	50.00	1932	48.33
1938	50.00	1931	57.00
1937	42.50	1930	62.00
1936	41.00	1929	62.00
1935	40.00	1928	67.50

*First three quarters.

Follows General Index

While the sharp increase in price in 1938 was a mistake (looking back in retrospect) the selling price of newsprint was and is still subnormal in relation to the general commodity index.

At present the price of newsprint, taking 1932 as 100, is only 103, whereas the general commodity index in the United States is 131, according to the latest return.

The relatively wide disparity between the index price of newsprint and the general commodity index, as applied to the States, is shown below:

U. S. Price Index 1932=100

	Canadian Newsprint at N.Y.	General Commodity Index
1941*	103	131
1940	103	121
1939	103	119
1938	103	[illegible]
1937	88	133
1936	[illegible]	[illegible]
1935	83	123
1934	83	116
1933	85	102

Wanted Stabilization

When the war started the industry took its stand on the price of newsprint and has adhered to it strictly ever since.

This was no hardship for manufacturers. On top of the $50 price on sales in the United States, they received a bonus of 10% translated into Canadian funds.

More Sales After War

In addition the demand for paper jumped. In the last four months of 1939 production of newsprint was 122,000 tons greater than in the like period of 1938.

During 1940 production moved up to 3.4 million tons, the second largest total ever reported by the industry.

What is more important is that sales in the United States advanced substantially. Shipments last year, for example, totalled 2,594,452 as against 2,194,126 the year before.

On top of that there was a marked rise in shipments to overseas countries, exports being 657,588 tons compared with 477,594 tons in 1940.

Volume Moving Down

On the point of volume the situation is undergoing a change, which will be more pronounced in the last quarter of 1941.

Shipments overseas during the first half of the year declined one third from those of the like period last year.

Deliveries to American publishers held up well, amounting to 1,290,399 as against 1,239,755 the year before.

Taking the picture as a whole, production this year is slightly lower than in 1940, as also are shipments.

Since the war started manufacturers have depended upon the rise in production to keep down costs and thus permit the maintenance of the $50 newsprint price.

Added to this the companies have had a cushion of about $4 a ton, representing the premium received on sales in the United States less freight charges paid to American lines, on which to absorb increased costs.

Since the beginning of the war the advance in costs has practically wiped out the exchange "cushion." Canadian manufacturers have had to depend upon volume to keep their costs down.

Must Watch Selling Price

Now that volume increase has not only slowed down, but a slight decrease noted which is likely to grow more marked between now and the end of the year, the manufacturers are in a position having to look very closely at their price policy.

Just now it is a toss-up as to what the manufacturers will do in respect to the price of newsprint in the last quarter.

It is known some of them favor a moderate adjustment upward to compensate for the rise in costs.

Others feel that the price should be retained at the $50 level as long as possible and, at least for the fourth quarter of 1941, no change should be made in the schedule.

It is difficult to determine just what the odds are for or against an increase. However, it would appear definite that the manufacturers are quickly approaching a point where they may have to raise the price of their product. This pressure will increase particularly if there is no increase in volume and, at the moment, there appears little prospect of that happening.

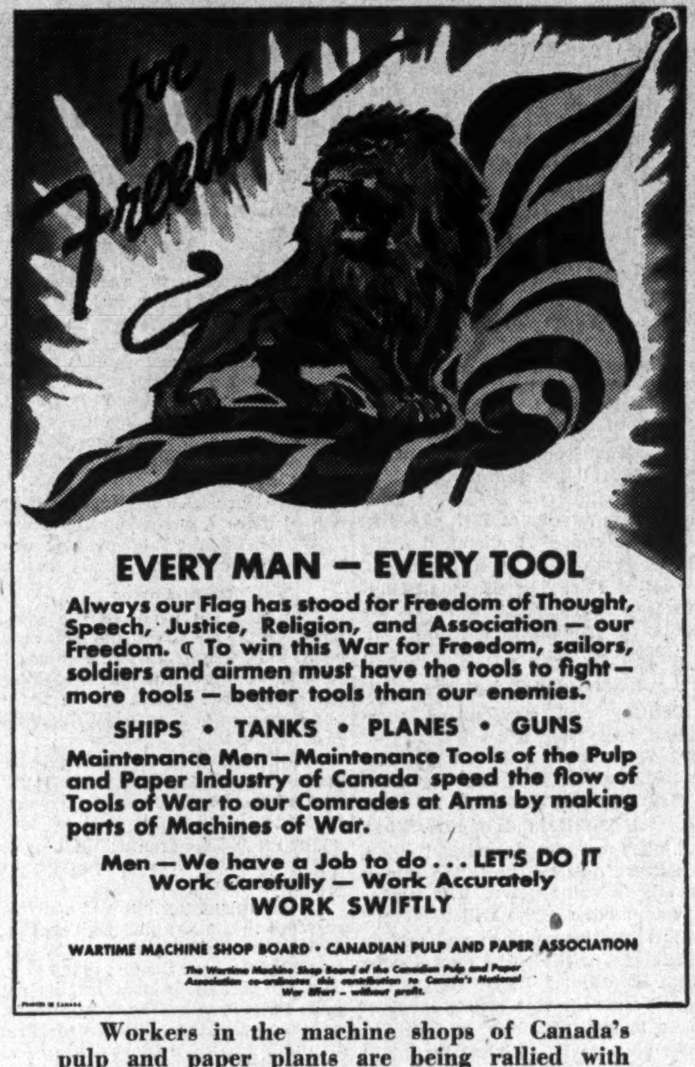
Matter of Policy

The deciding factor in the whole price situation will probably be the matter of relations with the publishers.

There has been developed over the past three years a new conception of relations as between the newsprint manufacturers and the American publishers. Now there is a keener appreciation among manufacturers of the problems faced by the publishers. Likewise the publishers have a better knowledge and appreciation of the manufacturers' problems.

This spirit of give and take will govern any adjustment in price schedules. The manufacturers know the publishers have been confronted with sharply rising costs and increased competition.

If it is necessary for the manufacturers to increase the price of newsprint in the last quarter (it is doubtful if it can be postponed much beyond that time) any change will likely be of moderate proportions.



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WORK SWIFTLY

WARTIME MACHINE SHOP BOARD • CANADIAN PULP AND PAPER ASSOCIATION

The Wartime Machine Shop Board of the Canadian Pulp and Paper Association co-ordinates this contribution to Canada's National War Effort — without profit.

Workers in the machine shops of Canada's pulp and paper plants are being rallied with posters such as this to do their bit in the growing "bits and pieces" programme of war production. The Wartime Machine Shop Board of the Canadian Pulp & Paper Association is already pushing ahead with a $4 millions spearhead of the "bits blitz" to step up Canada's war output.

Quebec to Probe Pulpwood Prices

Government Sets Up Body to Investigate Prices Paid Settlers

From Our Own Correspondent

MONTREAL.—Quebec has passed an Order-in-Council setting up a Commission to enquire into the prices to farmers and colonists for their pulpwood.

This action followed upon a statement by the Hon. P. E. Cote, Minister of Lands and Forests, in which he expressed his belief that it was time to investigate complaints from farmers and settlers that they are not receiving enough for their work.

Personnel of Board

The Commission will comprise:

HENRI RENAULT, member of the Legislative Assembly for Beauce.
AVILA BEDARD, Deputy Minister of Lands and Forests.
W. A. E. PEPLER, manager of the Quebec Forest Industries.
LEO BROWN, Deputy Minister of Colonization.
J. A. BEAULIEU, member of the Legislative Assembly for Lake St. John.
FRANCOIS FAURE, vice-president of Consolidated Paper Corp.
CHARLES LACROIX, of Madawaska Corp.
FERNAND BOUTIN, assistant chief of the Provincial Forestry Service Branch.

International Paper Co. Calling $407,500 Bonds

International Paper Co. has drawn by lot for redemption on Dec. 1 next $407,500 principal amount of its 6% refunding mortgage bonds, series A. The bonds, payable at the option of the holder in American or U. S. funds, will be paid off at the rate of 105 and accrued interest.

Notice was also given by the company to holders of the bonds drawn that they may obtain immediate payment of the full redemption price, including accrued interest to Sept. 1, by presenting the bonds to the trustees.

Port Royal Pulp Co. Wins Appeal in Suit

Port Royal Pulp and Paper Co., of Fairville, N.B., has been successful in an appeal to the Privy Council against judgment favoring the Royal Bank of Canada.

The case involved advances for pulpwood developments. The Royal Bank sued for return of $8,000 with interest, the amount of its advances to Ewart C. Atkinson to assist him in two pulpwood contracts made with the company.

U. S. Paper Mill Activity Above Rated Capacity

Paper mill activity in the United States during the week ended July 26 was at 101.9% of capacity compared with 100.4% for the previous week and 87.6% for the week ended July 27, 1940, according to the American Paper and Pulp Association.

Paper board production for the week ended July 26 was at 92% of capacity, the same as the preceding week.

Outlay on Power At $10 Millions

From Our Own Correspondent

MONTREAL.—Capital expenditures planned by Montreal Light, Heat and Power Cons. for 1940 and 1941 to provide new power production and distribution facilities total over $10 millions, according to a statement issued by John S. Norris, president.

No new financing is contemplated, as the company is spending this money out of its own resources.

Power Consumption Is Record

Wartime Pace Burns 12% More Than Year Ago

From Our Own Correspondent

MONTREAL. — Consumption of firm power in Canada during June was the highest on record. On a daily basis the average for the month, according to the Dominion Bureau of Statistics, was 72,238 thousand kilowatt hours. This compares with a daily average in May of 71,160 thousand kw.h. and for February 71,740 thousand kw.h.

Production of the central electric stations last June amounted to 2,560 thousand kw.h. This compared with 2,579 thousand kw.h. in June last year.

The decrease was all in secondary power which dropped from 643.8 thousand kw.h. to 277.2 thousand kw.h. Cutting off secondary loads increases the capacity available for firm power loads but tends to reduce the total kilowatt hour output.

For the first half of 1941 the central stations produced 15,732 thousand kw.h. This was a new all-time record and compares with 14,968 thousand kw.h. for the same period in 1940.

With the exception of Manitoba all provinces shared in the increase, with the largest gain being reported by Ontario.

Particulars of output for the half year follow:

Power Production
(Thousands of kilowatt hours)
Six Months Ended June

	1941	1940
Prince Edward Island	4,115	3,199
Nova Scotia	235,107	206,351
New Brunswick	238,989	220,043
Quebec	8,222,562	7,974,766
Ontario	4,754,921	4,400,492
Manitoba	710,499	747,395
Saskatchewan	286,756	271,578
Alberta	144,001	127,157
British Columbia	1,135,435	1,017,522
Total	15,732,385	14,968,503

War Causes Demand

The effect of war demands on the firm power load is seen in the breakdown of the daily average of firm power consumption in June. Quebec's consumption, as compared with June, 1940, showed an increase of nearly 50%. This was by far the largest individual gain and considerably more than that reported by any other province.

Exports Lower in June

Exports of electrical energy to the United States last June amounted to 187 thousand kw.h., compared with 210.5 thousand kw.h. in the preceding month and with 190.7 thousand kw.h. in June, 1940. This is the first time this year that monthly exports have been on a lower scale than for the like period last year.

To the end of June Canada delivered 1,179 thousand kw.h. of energy to the U. S., compared with 999 thousand kw.h. for the same period in 1940.

The effect of the Power Controller's order prohibiting the use of electricity for use in electric boilers is showing up more clearly in the returns.

The boiler load in June was only 127 thousand kw.h. This contrasts with 310 thousand kw.h. in May, 1941 and 527 thousand kw.h. in June last year.

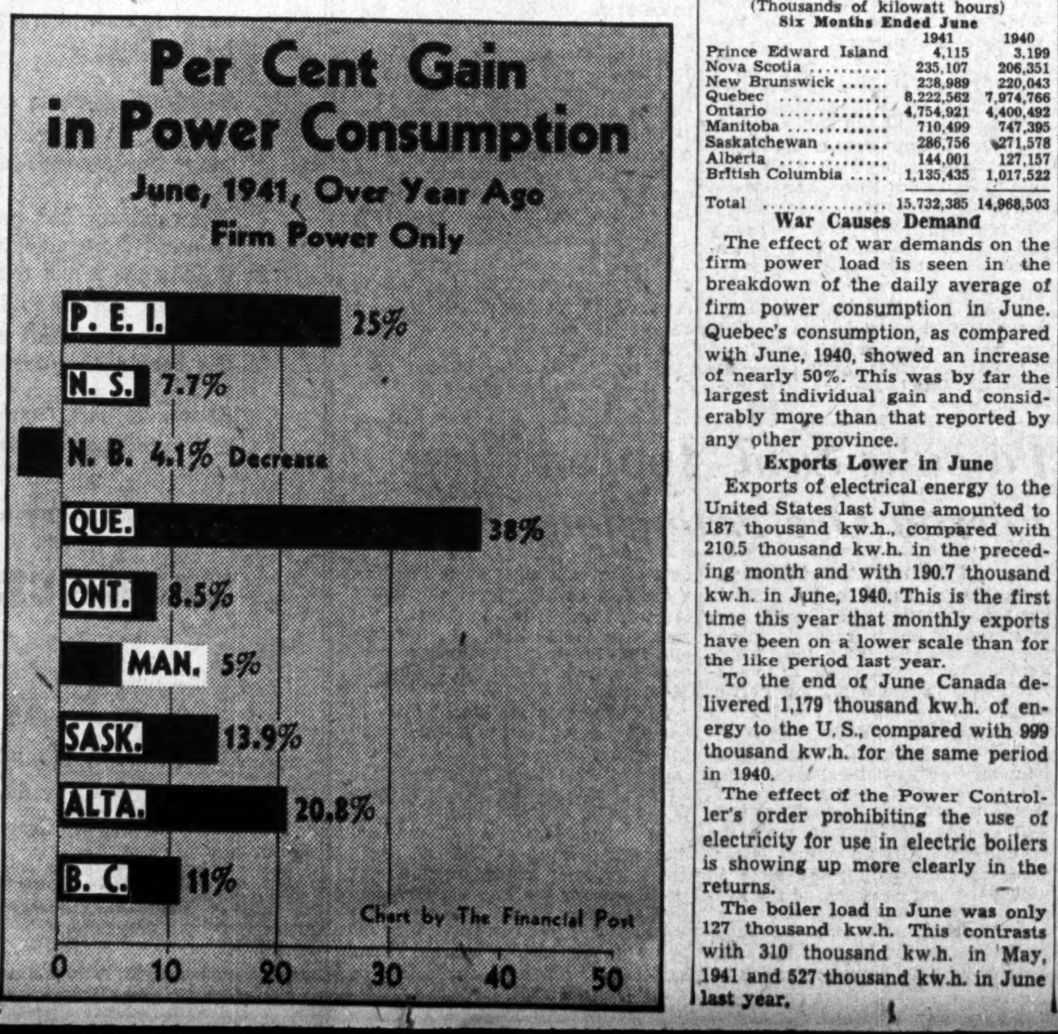

Chart by The Financial Post

St. Maurice Earns $823,744 to Date

First Statement Covers Financial Returns for Eight Months Period

St. Maurice Power Corp. interim statement for the eight months ended June 30, 1941, shows gross income of $823,744 and surplus, after interest charges but before depreciation, of $209,920.

This is the first statement of earnings issued by the company, the fiscal year of which has been changed to correspond to the calendar year. The first complete report, according to James Wilson, president of the company, will be for an eighteen month period ending Dec. 31, 1941.

Financing of the St. Maurice Power Corp. has been handled throughout by Shawinigan Water Power Co., which owns a 50% interest in the development.

Will Replace Notes

There are outstanding in the hands of the public at present $10 millions of 4½% 30-year first mortgage bonds. In addition, $3,823,990 of 5% short term notes are held by Shawinigan. These notes will be exchanged for 5% 15-year second mortgage bonds, the issue of which, it is expected, will shortly be authorized by the Quebec Public Service Board.

The authorized issue of the second mortgage bonds will be $4.5 millions, which is sufficient, after retiring the notes, to cover all anticipated expenditures in connection with the 178,000 h.p. development which is now in full operation.

Particulars of the revenue and expense statement follow:

Revenue & Expense Statement
Eight Months Ended June 30, 1941

	$
Power revenue	823,271
Add: Miscel. income	473
Total income	823,744
Less expenses:	
Operation	40,171
Maintenance	12,413
General expenses	35,796
Water rentals	49,081
Taxes	61,395
Net earnings	624,888
Less: Bond interest	300,000
Note interest	114,967
Surplus*	209,920

*Subject to depreciation.

SIGMA OUTPUT HIGHER

Production of $249,236 was realized by Sigma Mines (Quebec) in July from milling 32,502 tons of ore for an average recovery of $7.67 a ton. This compares with $248,384 from 32,405 tons of ore in June when recovery averaged $7.66 a ton.

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The Telephone Comes to The Prairies

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TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA